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BROTHERHOOD OF ST. LAURENCE  
67 BRUNSWICK STREET, FITZROY  
ARCHIVES

# UNEMPLOYMENT

## The Facts and Effects

A SOCIAL ACTION STUDY  
BY THE BROTHERHOOD OF ST LAURENCE

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## ACKNOWLEDGEMENTS

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## Introduction

Discussion of unemployment in Australia is usually an inconclusive argument between people of opposing views trying to prove that unemployment is better or worse than it has been in the past or is likely to be in the future. Meanwhile, the community remains very confused about the nature and effects of unemployment.

There has been little consideration of the men and women who lose their jobs who, with their dependents, are reduced to the lowest standards of living existent in Australia for prolonged or intermittent periods. There have been no studies of the social, economic and emotional effects of unemployment in a consumer and work oriented society and there has been no critical examination of the measures to provide employment or to help the unemployed, measures that have remained for the most part unchanged since they were established 27 years ago.

For the unemployed and for those who fear that changes in the nature of the work force will create long term unemployment through obsolescence, it is immaterial whether they are part of 1.5%, 2% or 3% of the work force.

Looking to the future there is a need to understand and anticipate structural changes in the work force and prepare social policies to meet them. As an organisation concerned with social policies as well as the provision of welfare services, the Brotherhood of St Laurence believed that it would be useful to examine some of these issues in the hope that community and political attitudes towards unemployment and the unemployed would become more considerate of those who experience unemployment or feel threatened by it and that more social research will be undertaken in this critical area of national policy.

Mr. David Griffiths was commissioned by the Brotherhood to research and write this study.

**David Scott**  
Executive Director  
Brotherhood of St Laurence

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Brotherhood of St Laurence

November, 1972.

How serious is the unemployment problem? There are clear indications of a deteriorating situation. The present unemployment level is symptomatic of an international trend towards high unemployment.

Australia has a similar problem to that facing many industrial countries such as Canada, New Zealand, the United States of America and the United Kingdom — a growing pool of unemployed, unskilled and semi-skilled persons who are virtually unemployable because they lack qualifications and experience.

In comparison with these countries Australia has experienced low unemployment levels and even in periods of recession (1952–3, 1956–7, 1961–2 and 1971–2) the unemployment level has been low. In August 1972 Canada had an unemployment level of 5.4% and the U.S.A. had an unemployment level of 5.5%.

Unless effective action is taken now however, Australia will also eventually experience unemployment levels of 4% to 5%.

Despite new initiatives taken by the Federal Government, there is increasing evidence that the unemployed are not being given sufficient protection and support and, furthermore, that existing resources for the unemployed are not being used as effectively as they could be.

Who is responsible for this situation? The answers lie in an examination of existing policies and attitudes towards the unemployed which stem from a complex interaction of social, economic, political and psychological factors. It is important to realise that what the unemployed are thought to be may be a greater determinant of policy than what they are.

It is not possible to write about unemployment and not become involved in a whole series of interrelated questions. What is the right to work? What obligation does a society accept if it is committed to enabling all those who desire to work to do so? Should there be freedom of occupational choice? How do you ensure that individuals are given both the opportunity to develop potential skills and the choice of alternative employment opportunities for exercising them? Should work be as productive as possible and directed towards satisfying the individual's goals and producing socially useful goods? What is the relationship between what an individual thinks about, and wants from, his job and the quality of his work performance? What is poverty? What is the cause of poverty? What is the link between poverty and unemployment?

These far-reaching and controversial questions have not as yet been answered satisfactorily, but the lack of identification, definition and analysis of these issues has not prevented the development of policies and attitudes. Vagueness and imprecision has allowed decision-makers great flexibility in the determination and application of policies with regard to the unemployed. It is time that we questioned the situation; clarified our attitudes towards the unemployed, considered what their needs are and had the courage to decide whether we are willing to provide for those needs.

Our attitudes towards the unemployed are, in fact, based on ignorance and indifference, the consequences of which are policies that label the unemployed as welfare cases rather than human beings.

For the majority of Australians though, life goes on unaffected by unemployment. Wages continue to rise and savings bank deposits have reached an all-time record. The majority fail to recognise or take any active interest in the plight of the minority.

The government refuses to increase the pitifully low level of unemployment benefits. In the 1972 Budget the Federal Government reduced income tax and increased old-age and invalid pensions, but failed to increase unemployment benefits. Employers and trade unions, while strongly urging measures to increase employment, have so far done little to campaign for more adequate relief and the adoption of effective policies to minimise the incidence and effects of unemployment.

In *People In Poverty*, Ronald F. Henderson, Alison Harcourt and <sup>1</sup>\* R.J.A. Harper said that the examination of poverty in terms of inadequate income is the most fundamental, basic approach to the problem and that the provision of adequate income is a primary need which a rich, civilised community can and should meet.

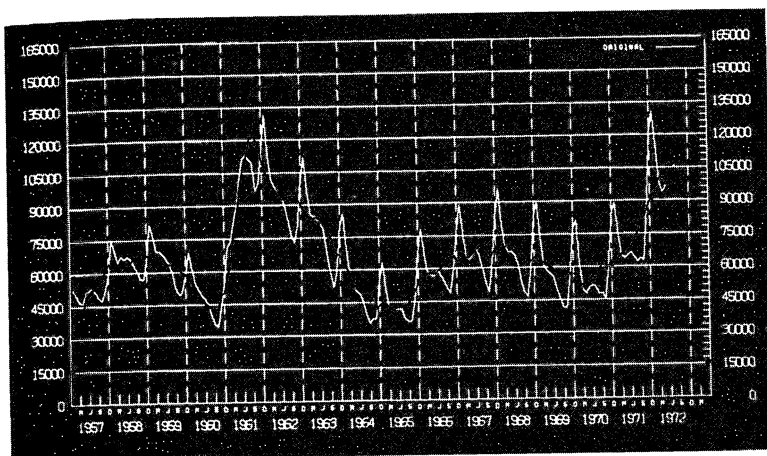
A recent Gallup Poll by Roy Morgan and Australian Public Opinion <sup>2</sup> Polls indicated that 46% of 1000 people interviewed thought that unemployment would be an issue in the federal election of 2 December, 1972 — 52% of A.L.P. voters and 37% of L.C.P. voters. It is interesting to note that the groups most concerned about unemployment were those aged 16–20 (66%) and 21–29 (48%). The only other issue to rate 46% was free hospital and medical services. Other issues received a lower rating.

Concern about unemployment is a beginning but unless policy makers attempt to translate this into meaningful policies, concern will again lapse into ignorance and indifference. This booklet aims to change people's attitudes towards the unemployed and to propose policies that it is felt are geared to the needs of unemployed people. Perhaps if a sufficient number of concerned people were aware of the facts and effects of unemployment some positive action would result.

\* all references are listed on pages 74, 75 and 76

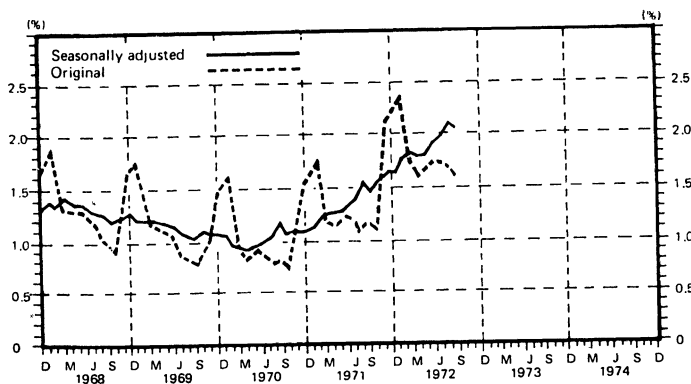


# NUMBER REGISTERED FOR EMPLOYMENT WITH COMMONWEALTH EMPLOYMENT SERVICE (A) - PERSONS (Source of original data - Department of Labour and National Service)



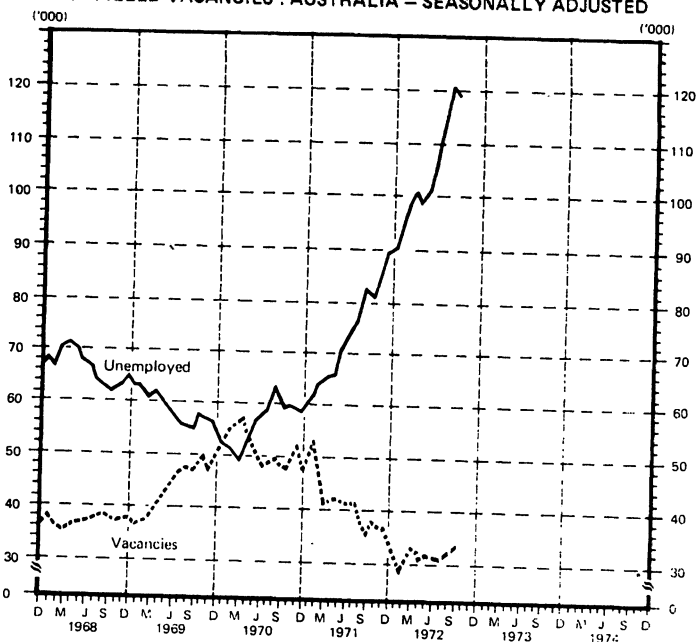
Source: Seasonally Adjusted Indicators 1972, p 76

## NUMBER OF REGISTERED UNEMPLOYED AS PER CENT OF LABOUR FORCE : AUSTRALIA

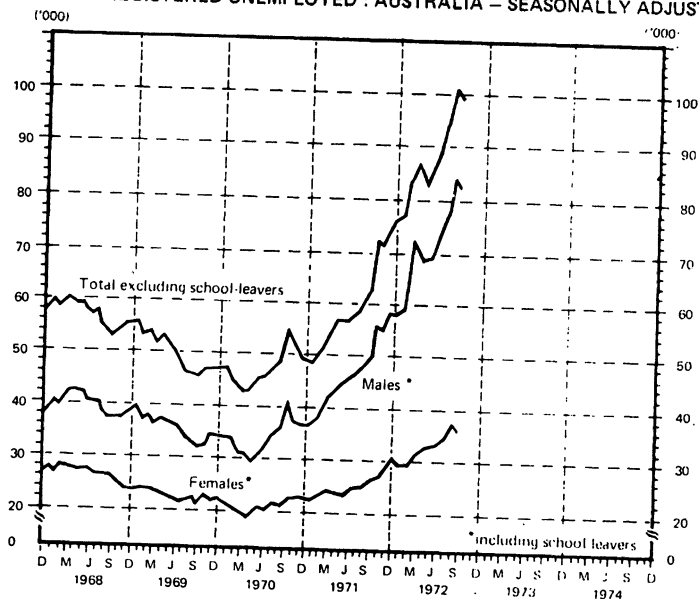


Source: Monthly Review of the Employment Situation,  
September 1972, p 31

# TOTAL NUMBER OF REGISTERED UNEMPLOYED AND UNFILLED VACANCIES : AUSTRALIA - SEASONALLY ADJUSTED



## NUMBER OF REGISTERED UNEMPLOYED : AUSTRALIA - SEASONALLY ADJUSTED



Source: Monthly Review of the Employment Situation,  
September 1972, p 30

The unemployment situation is not improving and playing with statistics will not make the situation otherwise.

Despite this, the Minister for Labour and National Service, Mr. Lynch, has consistently claimed and predicted throughout 1971-72 an improvement in the unemployment situation.

It is a fact that in September 1972 the numbers of persons registered with the Commonwealth Employment Service as unemployed fell by 7,928 or 8.2% — from 96,805 in August to 88,877 in September.

In announcing the fall, Mr. Lynch said it was 'a significant improvement' which compared favourably with a 1,831 or 3.0% increase in 1971, a 468 or 1.0% increase in 1970 and a 3,799 or 8.5% fall in 1969.

Any assessment of the unemployment situation faces the danger of a meaningless statistical evaluation which ignores relevant contextual influences. There are several factors that need to be taken into consideration.

- (a) Seasonal influences tend to recur each year — irrespective of a long-term tendency for unemployment figures to rise or fall. A fall in the numbers registered as unemployed may be due to seasonal influences and in no way indicative of an improved situation.
- (b) Overall figures are misleading because they conceal variations in different areas, industries and occupations.
- (c) The non-metropolitan unemployment relief scheme temporarily employs persons who would otherwise be registered as unemployed.
- (d) Thousands of unemployed persons do not register for employment with the Commonwealth Employment Service.
- (e) The numbers of hard core unemployed — the number of unemployment beneficiaries.

**(a) Seasonal Influences**

The Commonwealth Employment Service statistics include two measures of unemployment — original data and seasonally adjusted data. The original data consists of the actual numbers registered as unemployed at a given time. This data in itself can give an indication of unemployment trends, but it does not allow for seasonal influences. Seasonal influences are those which tend to recur each year — for example the numbers of unemployed are usually high in December because of a huge influx of school leavers registering for unemployment and the numbers of unemployed are usually low in August because many people are in temporary employment. Seasonal adjustment is a means of removing the estimated effects of normal seasonal variation on the unadjusted figures, so that the effects of other influences can be more clearly recognized. The value of seasonally adjusted unemployment figures is to *indicate* whether the longer term trend in the unemployment situation is improving or deteriorating.

The following table indicates that between December and August there has been a deterioration:

Month	Year	REGISTERED UNEMPLOYED	
		Original Unemployed	Seasonally Adjusted Unemployed
December	1971	120,574	89,984
August	1972	96,805	120,053

The actual number of persons unemployed increased from 47,257 in August 1970 and 61,848 in August 1971 to 96,805 in August 1972. The numbers unemployed have been in excess of 93,000 for the last nine months.

Actual unemployment fell from 99,180 in July to 96,805 in August, but seasonally adjusted unemployment rose from 112,290 in July to 120,053 in August. Over the last six months the percentage of seasonally adjusted unemployed has steadily increased from 1.77% in February to 2.14% in August.

Let us look again at the September unemployment figures which recorded an 8.2% fall over August. If we take the figures over a long period, between 1957 and 1972, the September figures have fallen 14 times. In other words, the long-term trend is for a fall in the September figures. Seasonally adjusting these figures tells us that the situation is worse than the actual figures indicate — a 2.10% seasonally adjusted unemployment rate as opposed to an actual unemployment rate of 1.58%

#### **(b) Overall Figures**

A useful picture of the employment situation can also be ascertained by taking into account trends in both unemployment and in vacancies — by contrasting the number of registered unemployed for each unfilled job vacancy known to the Commonwealth Employment Service. This approach comes nearest to giving an unemployed worker's view of the labour market. Beveridge, when compiling his wartime study on full employment, suggested that a fully employed labour market was one in which there were more job vacancies than unemployed workers. The Commonwealth Government's 1945 White Paper on Full Employment said that a full employment policy would need to 'maintain such a pressure of demand on resources that for the economy as a whole there will be a tendency towards a shortage of men instead of a shortage of jobs'. The demand for labour has, in fact, been easing for more than two years from 1.0 person per vacancy in September 1970 and 1.8 in September 1971 to 2.7 in September 1972. For the last eight months up to August the figures have been in excess of 3 persons per vacancy. The number of unemployed males per vacancy has increased from 1.2 males per male vacancy in September 1970 and 2.3 in September 1971 to 3.7 in September 1972.

The Department of Labour and National Service's Monthly Review of the Employment Situation provides information on the sex and occupation of the unemployed for Australia and each State. The occupational

classifications are rural, professional and semi-professional, clerical and administrative, skilled building and construction, skilled metal and electrical, other skilled, semi-skilled, unskilled manual and service occupations. At the end of September 1972 there were 88,877 unemployed persons and 32,588 vacancies — a ratio of 2.7 persons for each vacancy. An analysis of each occupational group, however, demonstrates that these overall figures do not tell us very much.

In the professional and semi-professional occupational group there were 510 unemployed females and 1,026 unfilled vacancies — a ratio of .5 females for each vacancy. In the unskilled manual occupational group there were 20,882 unemployed males and 1,881 unfilled vacancies — a ratio of 11.1 males for each vacancy. A State breakdown of these occupational groups shows further variations. In the professional and semi-professional occupational group, Victoria had 108 unemployed females for 423 unfilled vacancies — a ratio of .3 females for each vacancy. In the unskilled manual occupational group, Tasmania had 871 unemployed males for 31 unfilled vacancies — a ratio of 24 males for each vacancy.

The overall unemployment figures should also be subjected to an area breakdown. At the end of September 1972 there were 61,901 unemployed males and 16,785 unfilled male vacancies — a ratio of 3.7 males for each vacancy. In Broken Hill, however, there were 502 unemployed males and 2 unfilled male vacancies — a ratio of 28.0 males for each vacancy.

The Minister for Labour and National Service, Mr. Lynch, has said that 'the basic figure which is seen as an interpretation of what is happening is the national figure', but, on the contrary, overall figures are misleading because they only provide a general indication of the unemployment situation and, as a consequence, conceal wide variations in different areas, industries and occupations.

Mr. Lynch has been quoted as saying that the unemployed are too selective about jobs. Geoff Stone tackled Mr. Lynch during an interview programme on ATV O Melbourne on October 8th 1972.<sup>3</sup>

*Stone:* Talking about people who are unemployed, and there are still quite a lot of them, you said not so long ago you thought that many people who were unemployed today were a bit too choosy about taking a job. What did you mean by that?

*Lynch:* Certainly far more selective than I believe they have been before and equally, of course, although the level of unemployment is too high for this government, we are determined to reduce it and we will, the simple fact is, as viewers in Melbourne and Sydney will particularly appreciate, there are a large numbers of employers who still cannot find adequate staff for their purposes.

*Stone:* Now, this raises quite an issue doesn't it because you can say on the one hand that a man is too choosy, but surely this would only perhaps be in the area of the skilled worker — you can't expect a boilermaker, for example, to suddenly become, I don't know, if you like, somebody like yourself. It would not be possible would it?

*Lynch:* Well, it would. It tends to operate over the whole spectrum of employment and, of course, when I say become more selective what this means is that a man mightn't travel 20 or 30 miles for a job or he might prefer one company to another because at the present there are 30,000 job vacancies — vacancies which my department cannot fill because there are no takers for them.

*Stone:* Alright, then, let's accept that for the moment that that's true, there are 30,000 jobs and 96,000 unemployed and you say your department can't do anything about it.

*Lynch:* Not can't do anything about it. We are actively seeking, of course, to fill them, but persons are not available in many categories of job skills at the present time.

*Stone:* Doesn't this come back to what we were saying earlier on that, you know. I don't see how people can be selective if the categories of jobs aren't available for the people who want them.

*Lynch:* What happens, of course, you get in any fast developing economy, there will be times when there are shortages of labour at one point and there are people available at another point. This, of course, is the structural problem of the labour market and that in part is what we are facing at the present time.

An official from Mr. Lynch's Department explained to *The Herald* the paradox of unemployed persons and unfilled vacancies: <sup>4</sup>

The available vacancies may not match up with the qualifications, or lack of them, of those seeking work. Or they may be in at a place that the unemployed person can't reach. For example, an unemployed carpenter with four children may hear of a job in Portland. It suits him in every way — except that he doesn't want to uproot his family from their home in Essendon. So he'll probably stay out of work, hopefully waiting for something to turn up closer to home.

In addition, a study by the Commonwealth Employment Service of female unemployment in Newcastle, Wollongong, Geelong and Elizabeth has explained that the disparity between unemployed persons and unfilled vacancies can arise for two main reasons: <sup>5</sup>

- an imbalance between the geographical distribution of labour demand and labour supply;

- an imbalance between the pattern of skills, experience and qualifications held by job seekers, and the specifications of jobs which are available.

#### **(c) Non-Metropolitan Relief**

The non-metropolitan unemployment relief scheme also conceals the true situation by temporarily employing persons who would otherwise add to the numbers unemployed. The scheme was introduced in December 1971 to provide short-term employment for unemployed workers in non-metropolitan areas.

Month	Approximate Nos. Employed Under Relief Scheme	C.E.S. Nos. Unemployed	Nos. Unemployed Adding Cols. 2+ 3
December 1971	3,025	120,574	123,599
January 1972	5,000	130,233	135,233
February 1972	10,000	115,149	125,149
March 1972	12,600	97,877	110,477
April 1972	14,000	93,293	107,293
May 1972	14,500	96,635	111,135
June 1972	12,000	99,201	111,201
July 1972	13,608	99,180	112,788
August 1972	14,500	96,805	111,305
September 1972	15,000	88,877	103,877

Source: Monthly Review of the Employment Situation (December 1971 – September 1972)

The Minister for Labour and National Service, Mr. Lynch, has said the scheme is aimed at providing employment opportunities for about 14,500. Beyond that point, the Government did not believe there was a need for further action, because the impact of the economic measures taken by the Government over the past nine months, together with the stimulus from the Budget, would provide the necessary incentive to business and consumers to assist the economy. But interestingly enough <sup>6</sup> more than 15,000 were employed under the scheme in September 1972. While the government does not plan to expand the scheme, it does apparently, envisage a long term continuation of the scheme and, continued high unemployment figures. The 1972 budget includes an increase of \$45,000,000 for the non-metropolitan unemployment relief scheme – an increase from an actual expenditure of \$26,999,000 in 1971–72 to an estimated expenditure of \$72,000,000 in 1972–73.<sup>7</sup>

#### (d) Non-Registration

How many are unemployed? Three measures of the unemployed work-force are available in Australia: that revealed by the population Census, a quarterly work-force survey conducted by the Commonwealth Bureau of Census and Statistics, and that derived monthly from the numbers registered for employment with the Commonwealth Employment Service.

The Commonwealth Employment Service figures are based on the number of people registered at District Employment Offices as out of work, and who were seeking full-time employment, i.e. 35 hours or more per week. They include persons referred to employers but whose employment was still unconfirmed, and persons who had recently obtained employment without notifying the C.E.S. All recipients of Unemployment Benefit are included.

The quarterly survey of the Department of Census is carried out on a one per cent sample throughout Australia in February, May, August and

November each year. About 40,000 private dwellings (houses, flats, etc.) are visited during each survey, as well as a sample of other dwellings (hotels, motels, etc.) The survey information is obtained by means of personal interviews carried out by specially trained enumerators. The sample used in the surveys covers the six States, The Northern Territory and the Australian Capital Territory. The estimates relate to all persons aged fifteen years and over, except members of the permanent armed forces, national servicemen enlisted in the Regular Armed Forces, national servicemen enlisted in the Regular Arms Supplement and certain diplomatic personnel customarily excluded from census and estimated population.

The quarterly survey defines the *labour force* as comprising all persons who, during survey week, were employed or unemployed. *Unemployed persons* are defined as comprising all those who, during survey week, did no work at all, and who either:

- (a) did not have a job or business and were actively looking for work (including those who stated that they would have looked for work if they had not been temporarily ill or believed no work was available, or had not already made definite arrangements to start work in a new job after survey week), or (b) were laid off from their jobs without pay for the whole week.

A person who did some work during the week, however, before he either lost his job or was laid off, is classified as employed.

The following tables compare the numbers of persons registered for employment with the Commonwealth Employment Service (including school leavers) with the numbers of persons aged 15 and over recorded as unemployed by the Commonwealth Bureau of Census and Statistics' quarterly population survey. It will be seen that Census figures always exceed the C.E.S. figures — an excess ranging from 7,723 to 30,968.

TABLE 1

	FEBRUARY			MAY		
	CES <sup>1</sup>	Census <sup>2</sup>	Nos. by which col. 2 exceeds col. 1	CES <sup>1</sup>	Census <sup>2</sup>	Nos. by which col. 2 exceeds col. 1
1964	69,227	83,000	13,773	49,780	64,600	14,820
1965	50,747	67,300	16,553	41,843	55,500	13,657
1966	65,965	86,200	20,235	56,537	65,400	8,863
1967	76,254	90,900	14,646	66,185	78,800	12,615
1968	79,149	92,900	13,751	67,346	78,500	11,154
1969	73,645	92,300	18,655	56,798	75,100	18,302
1970	61,478	86,400	24,922	50,518	71,500	20,982
1971	76,277	93,000	16,723	64,802	82,700	17,898
1972	115,149	135,800	20,651	96,635	110,200	13,565



TABLE 2

AUGUST				NOVEMBER			
	CES <sup>1</sup>	Census <sup>2</sup>	Nos. by which col. 2 exceeds col. 1		CES <sup>1</sup>	Census <sup>2</sup>	Nos. by which col. 2 exceeds col. 1
1964	39,578	52,400	12,822		37,053	53,200	16,147
1965	36,585	54,200	17,615		45,682	65,800	20,118
1966	54,279	66,900	12,621		59,877	67,600	7,723
1967	59,788	72,900	13,112		63,022	73,800	10,778
1968	53,541	67,100	13,559		59,762	72,700	12,938
1969	44,920	66,100	21,180		55,632	86,600	30,968
1970	47,257	65,000	17,743		59,821	75,900	16,079
1971	61,848	75,100	13,252		85,714	99,700	13,986
1972							

<sup>1</sup>Persons registered for employment with Commonwealth Employment Service – including school leavers.

<sup>2</sup>Persons in the labour-force aged 15 and over recorded as unemployed by the Commonwealth Bureau of Census and Statistics Quarterly Population Survey.

Source: Seasonally Adjusted Indicators 1972 (Commonwealth Bureau of Census and Statistics) 1165,76

A similar discrepancy is discovered in the population census. At the time of the 1966 census, the C.E.S. reported that 59,020 people had registered for employment. If we look at the 1966 Census figures we find that 77,790 persons claimed that they were unemployed – a difference of 18,770.

It is important to explain why this large non-registration takes place. Many people delay registering because they are confident of re-employment within a few weeks and certainly until the unemployment benefit was increased from \$10 to \$17, in February 1972, others did not consider it worth their while. Others who don't register are not eligible for the unemployment benefit because they have a working spouse. There is also a segment, mainly professionals, who believe it is beneath their dignity to enter a District Employment Office. It is not uncommon for unemployed professionals to live off their savings for several months before registering. The stigma attached to going 'on the dole' persist for many of the unemployed. Many unemployed professional, clerical and secretarial workers use the services of private employment agencies rather than C.E.S. Others who don't register dislike bureaucracy and are deterred by what seems to them the complexity of registering with the C.E.S. The situation is aggravated when the unemployed person is an uncomprehending, inarticulate migrant. There are even some who are not aware of the services provided by the C.E.S.

Australia also has approximately 100,000 discouraged workers — young persons who return to school because they can't find employment, females who withdraw their labour or fail to re-enter the work-force and elderly men who cease looking for work.

The Commonwealth Bureau of Census and Statistics Quarterly survey of the Labour Force for May 1972 shows that the civilian population<sup>8</sup> aged 15 and over rose from 9,052,400 in May 1971 to 9,223,800 in 1972 — an increase of 171,400 which is the potential for labour-force increase. In the previous seven years, in fact, the increase to the work-force had averaged 139,914; but between May 1971 and May 1972 only 47,500 of the 171,400 entered the work-force — the difference being the number of 'discouraged workers'.

Although it is difficult to estimate the actual number, Sweden has attempted to measure the number of discouraged workers. In November 1966 Sweden had 60,000 unemployed job seekers and 40,000 other persons in training courses, on public works and in sheltered employment. There were also an estimated 135,000 discouraged workers willing to work if specific kinds of employment were available.<sup>9</sup>

A society has an obligation to provide work for all who wish to work and the only difference between an unemployed worker and a discouraged worker is that more often than not the discouraged worker can afford to be unemployed.

#### **(e) Unemployment Beneficiaries**

It is also evident from the rapid growth of unemployment benefit recipients that the number of hard-core unemployed has increased gradually over 1971–72 — from 19,087 in September 1971, to 37,974 in September 1972. The percentage of unemployed persons receiving benefits has increased from 30% to 42.7%.

The percentage of unemployed males receiving benefits increased from 32.9% in September 1971 to 46.3% in September 1972 — an increase in actual numbers from 14,245 to 28,675.

The percentage of unemployed females receiving benefits increased from 23.8% in September 1971 to 34.5% in September 1972 — an increase in actual numbers from 4,842 to 9,299. The 1972 budget provision for unemployment and sickness benefits is a clear indication that the<sup>10</sup> Government envisages an increase in the numbers receiving benefits. Actual expenditure on unemployment and sickness benefit was \$23,478,000 in 1970–71 and \$44,754,000 in 1971–72. Estimated expenditure for 1972–73 is \$57,600,000. The 1971–72 annual report of the Commonwealth Department of Social Services states that the number of unemployment benefits granted came to 255,417, this being 117,454 or 85.1% more than in the previous year.

#### **Conclusion**

Registered unemployment during 1971/72 has been the highest for more than a decade. Demand for labour has eased throughout the period and the number receiving unemployment benefits more than doubled. There are few indications that the situation will greatly improve in the near future.

### Case Study

Two years ago E. left his native country of Scotland to start a new life in Australia. Sydney was his first port of call and after working there for eighteen months he lost his job following a company takeover. For several months he searched unsuccessfully for work in Sydney.

Eventually he decided to move down to Melbourne in January 1972 to see if he could obtain clerical or sales work. A further two months search was unfruitful. E. is still unemployed with his savings almost gone.

The question that is uppermost in his mind is what will happen to him when his savings are all used up. How will he live?

At the moment he is continuing his search with greater urgency but less hope than previously.

### Case Study

At the end of 1971 C. left school in the hope of getting work in the printing trade in his home town of Ballarat. His greatest wish was to get an apprenticeship in this type of work.

After spending all the summer school holidays in search of this type of work without any result, he went back to school to do his leaving certificate. However, midway through the year, C. after considering the high rate of unemployment and the increasing competition for jobs that would be caused by the influx of school leavers onto the labour market at the end of year, decided not to continue his studies on a full time basis and try again to get the job of his choice..

Again he was unsuccessful. Contact with the local Commonwealth Employment Office and personal approaches to all the local printers were to no avail.

Much against his wishes, C. then decided to move to Melbourne to find work. After a brief search, he was able to obtain work with a printer with whom he hopes to commence an apprenticeship later this year.

Unemployment is both necessary and desirable.

There will always be unemployment. At any given date, some people are likely not to be at work because they are sick or because they are changing jobs and have not found suitable jobs. Then there are those persons who choose to be peripheral workers — persons who do not hold full time jobs, but work part time, seasonally or intermittently. There are also those persons who for various reasons choose not to work. Finally there are those persons who are paid not to work — aged and invalid pensioners, widows, deserted wives and unmarried mothers.

The Victorian Chamber of Manufactures has estimated that about 27% of the Australian workforce (some one and a half million people) change their jobs within the course of a year. Based on figures provided by the Commonwealth Bureau of Census and Statistics, it is possible to estimate that approximately 400,000 people go through a period of unemployment over a year i.e., 8% of the workforce.

We need to be flexible in appreciating, firstly, that people have a right to choose how, when and whether they work and, secondly, that society has a responsibility to provide congenial work for all those who desire it.

This chapter is concerned with examining the societal causes of unemployment and the obligatory responsibility this entails for governments, employers and trade unionists to facilitate the individual's return to the work-force and, in the meantime, to minimise the consequential hardship and suffering to individuals and their families.

Economists disagree as to whether unemployment is primarily structural or the result of a general shortage. Structural unemployment exists when people lack the skills or experience required by employers. A general shortage, on the other hand, exists when there is a shortage of the overall number of vacancies i.e., an insufficient aggregate demand for labour. This is a serious dispute because the remedy depends on the analysis. If structural, the remedy is to retrain those who are out of work — education, training and re-training. If shortage of demand, the remedy is general action to increase spending or reduce taxes.

American economist John Galbraith believes that more and more the figures on unemployment enumerate a condition of structural unemployment — those who are unemployable by the industrial system. Industrial countries throughout the world are, at present experiencing two inter-related phenomena (a) a lessening demand for unskilled and semi-skilled people and an increasing demand for skilled and professional people, and (b) stagflation — substantial unemployment levels and continuing inflation. What work there is available (skilled) requires qualifications and experience not possessed or attainable by a large sector of the work-force (unskilled and semi-skilled).<sup>11</sup>

There are enormous difficulties in persuading people of the seriousness of structural unemployment because economists have long held the view that an economy has only two alternatives:

- (a) low unemployment levels and high inflation
- (b) high unemployment levels and low inflation.

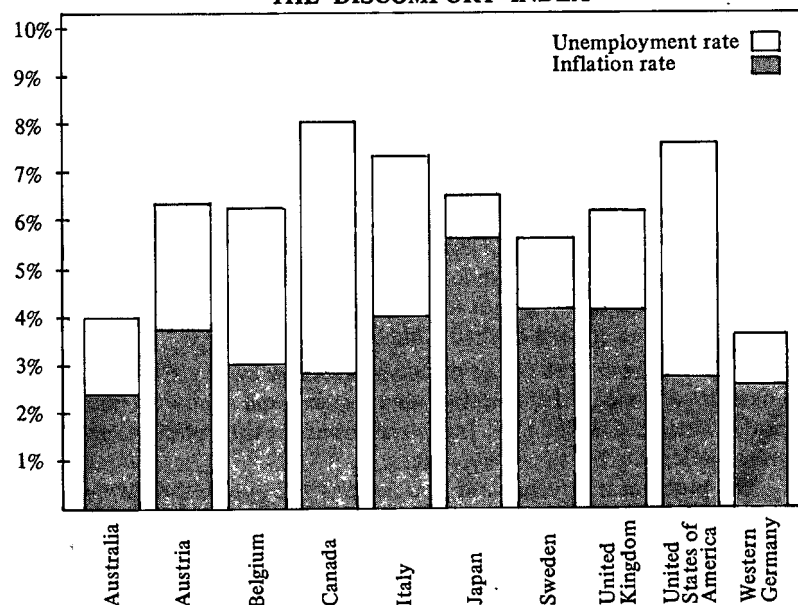
Increasingly, however, this traditional view appears to be contradicted by international experience of stagflation. The Victorian Chamber of Manufactures (V.C.M.), for example, has argued that the economies of the United States and Canada and, to a lesser extent, Italy, Belgium and Australia exemplify stagflation. Recently the United Kingdom has moved towards the same situation and only Japan, Sweden and Western Germany continue to maintain reasonably low unemployment rates. The Chamber concludes that Australia is moving rapidly to stagflation.<sup>12</sup>

How uncomfortable do you feel? This graph shows the "Discomfort Index" for a number of countries over a ten-year period. It was prepared by the V.C.M. Research Department.

The term Discomfort Index was coined by Arthur Okun, a former member of the U.S. President's Council of Economic Advisers. The index is the sum of the unemployment rate and the inflation rate (the percentage change in the consumer price index) for any given year.

In the graph the inflation rate and the unemployment rate are calculated on an average annual basis for the period 1961–1970.

THE 'DISCOMFORT' INDEX



\* Japan 1960–1962: 28 cities only. United States 1960–1963: excluding Alaska and Hawaii. Western Germany 1960–1961: Base 1962 = 100

The following table which shows increasing unemployment figures and continuing increases in inflation indicates, according to the Victorian Chamber of Manufactures, that Australia is moving rapidly to stagflation.

### DISCOMFORT INDEX 1961-1971 AUSTRALIA

Year	Percentage Change in Consumer Price Index	Unemployment Rate
1961	2.6	2.4
1962	0.3	1.6
1963	0.5	1.2
1964	2.4	1.4
1965	3.9	1.3
1966	3.0	1.5
1967	3.2	1.6
1968	2.6	1.5
1969	2.9	1.5
1970	3.3	1.0
1971 March	1.1	1.2
June	1.7	1.2
Sept.	1.7	1.15
Dec.	2.3	2.16
1971 Average	7.0	1.43

Source: Commonwealth Bureau of Census and Statistics

### Conclusion

Unemployment is inevitable. Each year approximately 400,000 persons (about 8% of the workforce) go through a period of unemployment. The Commerical Bank has suggested that, while the present <sup>13</sup> unemployment figures are undeniably high, the answer may not lie in greater economic activity, but in increasing the mobility and retraining of the unemployed section of the labour-force.

This is the very crux of the problem. Australia has a growing pool of unemployed unskilled and semi-skilled workers and a growing pool of professional and skilled jobs. Industrial countries throughout the world are experiencing the same phenomena.

The problem was recognised in October 1962 by the then Minister for Labour and National Service, Mr. McMahon:<sup>14</sup>

We do face two problems: One is that of the unskilled worker and the other, to a lesser extent, is the problem of special categories of people, particularly young women, in country areas. These matters do cause concern to the Government, and particularly to

myself. We are looking at the problem carefully. As I have said, they require special treatment rather than a general increase of the level of demand.

The unskilled and semi-skilled will only become employable when they are retrained but, even then, many economists suggest the economy will eventually have more workers than jobs. The Victorian Chamber of Manufactures has estimated that over the next few years more than two million Australians will need some work training to retain or to find new jobs. Up to 250,000 will be displaced by technological development within the next year or so. Another one and a half million may become redundant in their present jobs within a few years.

The White Paper on *Full Employment in Australia* said that:<sup>15</sup>

The maintenance of conditions which will make full employment possible is an obligation owed to the people of Australia by Commonwealth and State Governments.

### **Case Study**

To work in a clerical position either with a bank, insurance firm or business house in Ballarat was K's main ambition when he successfully gained his leaving certificate in November of 1970. He soon came to realise that this ambition would be difficult to achieve.

Many unsuccessful job interviews, many more unsuccessful job applications, constant visitation to the local employment office, continual searching of the 'Situations Vacant' section of the local newspapers and fruitless contact with the business houses in the town forced him to this grim realisation.

After five months of being unemployed, K. made a reluctant and forced move to Melbourne. Within a short time, he obtained a clerical position with T.A.A. and although the work was to his satisfaction, the life was not.

Having few friends, very little social life, very little money to spend because of the high cost of living, being confronted with a very different way of life and environment and being separated from his friends and family was certainly not to K's satisfaction. K. left Melbourne and returned to Ballarat. He was unemployed for another 3-4 months. He obtained some casual work and is now doing some Higher School Certificate subjects.

### **Case Study**

A former panel beater with an ex-T.B. wife and four children was earning approximately \$43 a week (paying \$18 a week rent) until an industrial accident about two years ago. He was on Worker's Compensation for a year until he was certified for light work. He can't speak English adequately, let alone read, write, bend or lift. His comment was: 'I shall be on unemployment benefit until I die'.



Most people would accept that all of us are entitled to a livelihood — a means of enabling us to support ourselves and our families at a reasonable standard of living. Most people would also accept that the appropriate source of a livelihood is a job by which we are hired and paid for our services. There are of course admitted exceptions to this — such as social service beneficiaries and self-employed persons.

The problem to be raised here, however, is the fact that jobs are of differing status and the fact that the status frequently determines the income. There is a tendency for low-status occupations in mines, factories, steelworks, shipyards, offices and shops to be filled by low-status groups. Dean Morse has commented:<sup>16</sup>

If an occupation has traditionally been one of low status, then it confers low status upon the individuals or groups who are involved in it. Conversely, the presence of social groups of low status in a particular occupation tends to confer low status on that occupation.

Low status jobs are invariably repetitive, monotonous, and dehumanizing. They are reserved for unskilled and semi-skilled persons who are frequently migrants, young or old. With little chance of advancement, increasingly threatened by retrenchment and redundancy, and knowing that anyone can do their job, insecurity is a predominant factor in their life style. Georges Friedmann attributes a basic source of dissatisfaction to the fact there is no need to train for unskilled and semi-skilled work. The only skill required is muscular skill which becomes a matter of habit. There are no difficulties, objectives and challenges.<sup>17</sup>

In the *Making of a Moron*, Niall Brennan has described how in 1940 Victoria's Mental Health Authority (then the Department of Mental Hygiene) placed in employment a group of subnormal children. Subsequent reports of the Authority noted that the children 'have given complete satisfaction to their employer' management 'has commented favourably on their behaviour and industrial ability' and 'some firms even prefer them to other employees on account of their punctuality and good attendance records.' Brennan says the experience of the Mental Health Authority has shown that there are few industrial occupations beyond the ability of subnormals. Findings which are of small comfort to the unskilled and semi-skilled for as Brennan comments:<sup>18</sup>

No really normal person can afford to ignore the frightening implications in the discovery that many 'normal' men and women are working in jobs at which subnormals are equally and sometimes more efficient.

Two American researchers, Stanley E. Seashore and J. Thad Barnowe, have analysed a survey of working conditions conducted by the University of Michigan's Institute for Social Research. The survey included extensive interviews with 1,533 persons representative of the currently employed

national work-force. For their study, Seashore and Barnowe, excluded self-employed persons and persons working fewer than 35 hours a week, which reduced their analysis sample to 1,095.

They argue that the work environment is crucial to worker disenchantment — that the source of this disenchantment lies not in inherent characteristics of the worker (sex, age, income) but the job and the job setting: 'The potent factors are those that impinge upon the worker's<sup>20</sup> self-respect, his chance to perform well in his work, his chance for personal achievement and growth in competence, his chance to contribute something unique to his work — in short, his self-actualisation'.

Their analysis does show, nevertheless, that disenchantment is highest with low status, low paid occupations and it is in the unskilled and semi-skilled jobs where there is a complete absence of variety, initiative and responsibility. The needs and desires, capacities and aspirations of the workers are ignored. A recent completed Canadian study by Martin Meissner attempted to answer the question whether work affects leisure and more particularly, what effects work in a factory has on the employee's life away from work. Meissner's conclusion was that the more repetitive, monotonous and inflexible the work was the less workers would participate in outside activities which necessitated 'planning, co-ordination and purposeful action.'<sup>21</sup>

The consequence of low pay is poverty of opportunity. The low paid are unable to save and insure. They cannot afford to join a health benefits scheme, they don't have bank accounts, life insurance is a hopeless luxury and when sick they are reluctant to go to the doctor. They are forced to live in old, run-down housing in crowded neglected inner suburbs. Outings to the Royal Show, the Zoo and the pictures are a luxury. A Sunday outing can consist of a visit to a park in a neighbouring suburb. Toys for children are also a luxury. One family even had skipping ropes on hire purchase. Sickness or unemployment means mounting debts, cancelling newspapers and missed meals. Living for the low paid is a question of survival.

The low paid are in fact our recently discovered poor. They are the unskilled and semi-skilled who are in underpaid, insecure and dead-end jobs. John Holt has suggested that poverty has three aspects — employment, income and material standard of life:<sup>22</sup>

A man feels poor and is poor when he has a bad job or no job, lacks money, and can't get the things that he needs.

A study by the U.K.'s National Board for Prices and Incomes, *General Problems of Low Pay*, has defined the low paid as the bottom 10% in the earnings league. On the basis of figures provided in the Commonwealth Bureau of Census and Statistics Survey of Weekly Earnings May 1971, it is possible to arrive at an approximate figure for Australia of 222,700 adult males who are low paid workers. These workers have weekly earnings of \$59.99 or less. Low pay is a relative concept. There will always be a bottom tenth. The National Board for Prices and Incomes comments

that this can be an advantage because it underlines the relative nature of the problem and that it is useful for making an initial identification of areas of low pay.

In *Wages and Productivity*, Professor J.E. Isaac has suggested that<sup>23</sup> although wage fixing practices have a criterion of 'equity' and 'fairness' these tend to be interpreted in terms of customary relationships — existing differentials tend to be defined as fair differentials. He asks two questions: "Why should it be regarded as 'fair' or 'just' that skilled workers be paid well in excess of their 'cost of production', when skilled jobs provide more status, satisfaction and security than unskilled jobs? Surely an ethical basis could be established which would justify a premium for those less favourably endowed with an aptitude for skill, who are forced to do less interesting work and who suffer greater insecurity of employment?"

The following table expresses the numbers of males and females in the unskilled manual and semi-skilled occupational groups as a percentage of the total unemployed:

1972	Numbers	%
January	130,233	40.2
February	115,149	44.4
March	97,877	45.5
April	93,293	47.4
May	96,635	49.3
June	99,201	51.1
July	99,180	51.6
August	96,805	52.2
September	88,877	51.3

The semi-skilled and unskilled manual males represent an even higher percentage of males unemployed:

	1971	1972
January	49.2	51.2
February	54.4	56.2
March	59.7	58.3
April	62.3	60.6
May	64.6	62.0
June	65.8	64.0
July	65.8	64.3
August	65.9	64.4
September	65.2	63.7

It is noticeable that in the case of September, for example, the 1972 figure has declined. This is because of increasing unemployment in other

occupational groups, but it must also be remembered that the 1972 figure represents a greater number of actual unemployed than in 1971. In September 1971 there were 43,349 unemployed males and in September 1972 there were 61,901 unemployed males. The point remains: the semi-skilled and unskilled manual workers are the ones most affected by unemployment.

Source: Monthly Review of the Employment Situation (January – September 1972, Department of Labour and National Service)

A Commonwealth Department of Social Services survey of the characteristics of the 38,826 unemployment benefit recipients as on 26 February 1972 revealed that 56.4% of the beneficiaries were skilled and unskilled manual workers.

The majority of migrants are in the unskilled and semi-skilled occupational groups which explains why they have a higher unemployment figure than the Australian-born.

For the first time, in February 1972 the Department of Census and Statistics' quarterly labour-force survey obtained information on each person's country of birth and, for those born overseas, the year of arrival in Australia. The information was obtained at the request of the Immigration Department who expected C. & S. to make the information privately available, but were surprised when the information was made public. C. & S. intends to obtain corresponding information each quarter.

The figures revealed an overall unemployment rate of 2.4% – 2.1% for those born in Australia and 3.2% for those born outside Australia. There was also a variance in the unemployment percentage for ethnic groups:

Yugoslavs	4.8	Greeks	3.9
British & Irish	3.2	Italians	2.3

#### Unemployed Born Outside Australia, February 1972.\*

Arrived in Australia	UNEMPLOYED					
	Males		Females		Persons	
	No.	% of labour force	No.	% of labour force	No.	% of labour force
Before 1955	6,500	1.7%	—	—	8,900	1.7%
1955–1961	5,100	2.2%	4,200	3.7%	9,300	2.7%
1962–1966	4,700	2.8%	—	—	8,300	3.3%
1967–1970	6,400	3.4%	4,900	5.2%	11,300	4.0%
1971–1972 (to February)	5,600	9.0%	4,700	14.8%	10,300	10.9%

Source: 'The Labour Force', Country of Birth and Period of Residence in Australia, February 1972. (Commonwealth Bureau of Census and Statistics, Reference No. 6.31)

\*Any discrepancies between totals and sums of components are due to rounding.

Census and Statistics are continuing to collect corresponding information but, unfortunately the labour-force statistics for May only include particulars of birthplace and not year of arrival in Australia and country of origin. This is because the information was not statistically significant. The information that is provided, however, does confirm what the figures showed in February — a higher unemployment rate for migrants.

#### Unemployed, May 1972.\*

		Males	Married Women	All Females	Persons
Born in	Nos.	38,600	15,600	33,000	71,600
Australia	%	1.4	2.1	2.5	1.8
Born	Nos.	22,400	12,200	16,100	38,600
outside	%	2.0	3.5	3.5	2.6
Australia					

\* Any discrepancies between totals and sums of components are due to rounding.

Given the unemployment situation of migrants, it is understandable why the Government has reduced the immigration programme from 170,000 to 140,000 and 'shaved' the programme by 3,000 in November 1971. The November (1971) — January (1972) intake was 4,300 less than the same period in the previous financial year.<sup>24</sup>

This situation of the unskilled and semi-skilled provides a compelling background to THE INCENTIVE TO WORK question. Unemployment benefit rates are kept below the poverty line because there is an assumption that if the rate is too high people will not work — a policy that keeps the unemployed dependent. Senator Greenwood has commented:<sup>25</sup>

The original legislation was not designed to provide a full living allowance for all time so that people should be deprived of the incentive to work.

A Canadian Government White Paper *Income Security for Canadians* has asked whether high benefits have an adverse impact on the incentive to work:<sup>26</sup>

If the program is designed to bring people up to some agreed income level, undoubtedly there will be people just above that level who will ask themselves, 'why work'?

If, to avoid making benefits more attractive than working, the guaranteed income level is set below the level of poverty, or if only a portion of the gap between a family's income and the poverty level is ceased by the program, then it will be less effective in achieving the income support objective. Most of the people covered will still not have enough to live on and will need social assistance supplementation. The plan must pay enough to keep the average poor person well above the subsistence level. Otherwise, it will be guaranteed poverty.

## Unemployment Benefits September 1972

### *Adult Rate*

If you are married *or* you are single and aged 21 or more *or* you are single, under 21 years of age and do not have a parent living in Australia, your maximum weekly rate of benefit will be:

	for yourself	\$17.00
plus:	for a dependent spouse	8.00
plus:	for each child under 16	4.50

### *Junior Rate*

If you are under 21 and not covered by one of the groups mentioned above, your maximum weekly rate of benefit will be:

	if you are aged 18, 19 or 20	\$11.00
	if you are aged 16 or 17	7.50
plus:	for each child under 16, if any	4.50

There is, in fact, considerable room for increasing unemployment benefits without any real likelihood that people will prefer to remain on benefit rather than take a job. In any case, no one can receive unemployment benefits unless it can be established that no suitable job is available. Unemployment beneficiaries must be registered with the Commonwealth Employment Service and must be able to demonstrate that they have actively been seeking work. If it can be shown that a reasonably suitable job is available or if a beneficiary is not considered to be making sufficient effort to find a job, the unemployment benefit can be stopped. The offer of congenial jobs is the only effective way of testing willingness to work.

Unemployment insurance is most useful for people who normally have steady employment and have a good chance of re-employment. In replying to a letter to the Prime Minister from the Brotherhood of St Laurence, Senator Ivor Greenwood (for the Prime Minister) said on January 17, 1972 that the purpose of unemployment benefits was:

to provide a measure of assistance to persons whose earnings are temporarily interrupted as a result of unemployment. The Government also takes into account that the payment of unemployment benefit is not of a long term nature, as are pensions, and that it is reasonable to expect the majority of people to make some provisions for themselves against periods of temporary unemployment.

Unemployment is not, however, always limited to short periods and many people are forced to live on unemployment benefits. This fact has concerned the Minister for Social Services, Mr. Wentworth, who said that 'there are large colonies of people who won't get a job'. Mr. Wentworth said that these people were living on their unemployment benefits and if offered a job they would make sure that they did not get it. 'What do you do about this?' he asked.

Is Mr. Wentworth's comment a commentary on the efficiency of the Commonwealth Employment Service and the Department of Social Services? It is suggested that, in fact, very few people are content to live on unemployment benefits. There are some but where it does occur it is often with the complicity of sympathetic officials who know that the beneficiary does not want to work.

Mr. Wentworth went on to say:<sup>27</sup>

I frankly don't know, because if we put our rates up further we will run into the appalling situation in England where they have a class of professional unemployed. And yet if we don't put up the rates we are giving hardship for people in genuine need — and there are genuine cases. It seems to me that this is the thing best met by voluntary organisations giving some kind of personal aid.

Is Mr. Wentworth saying that the minority of unemployment beneficiaries are genuine cases? If so, how is it they have survived the work test applied by the Commonwealth Employment Service? How is it that inspectors sent by the Commonwealth Department of Social Services have not been able to detect fraudulent individuals? If not, why do the majority have to be penalised because of a minority?

Mr. Wentworth's dismay is no doubt reinforced by the results of an analysis carried out by the Commonwealth Employment Service on 18 July, 1969. The analysis sought among other things to identify the<sup>28</sup> principal factors delaying the placement of the 51,793 unemployed persons registered with the C.E.S. and concluded that in 7,533 cases (14.6%) personal characteristics were the principal factor — personal appearance and behaviour, attitudes to punctuality and discipline. Two general comments can be made about the figures:

they are a remarkable testimony to the toughness of C.E.S. Officers; and,

the findings are very different from the experience of overseas countries.

An Organisation for Economic Co-operation and Development study in the U.S.A., the Federal Republic of Germany, the Netherlands and the U.K. has some revealing findings on the characteristics of the long term unemployed — defined as persons who had been unemployed for at least six months or who had more than five jobs in the previous two years.<sup>29</sup>

The study found that it was difficult to separate allegedly workshy attitudes from family troubles, emotional instability and a lack of initiative. Many could have been roused to work if they had been roused in time:

The longer they live in this way, the more difficult a change in attitude becomes. The very monotony of their existence dulls any spark of ambition for a different way of life; and the atmosphere of apathy and despair fosters unemployment.

The U.K. Government has conducted several detailed surveys which found little evidence of workshy attitudes and that even when they<sup>30</sup> existed there were understandable reasons. In 1956 the National Assistance Board examined the personal and family circumstances of just over 32,000 people. Only 7% were labelled as 'being workshy' and over 35% of these were handicapped in some way. The survey found:

It is not uncommon for a workshy case to be identified, on closer investigation, as one of mental instability or inadequacy. . . . Wilful idleness as distinct from an understandable lack of keenness arising from physical or mental instability or other causes would seem to account for the lengthy unemployment in very few cases indeed.

In 1961 the Ministry of Labour reported on 219,000 unemployed adults and concluded that 'under five per cent, were shown as difficult to place for social reasons' (which included attitude to work). This exercise was repeated in 1964 when the Ministry of Labour reported on 313,000 unemployed. The survey found that only 24,000 had a poor attitude to work.

At this point it is interesting to note that both the O.E.C.D. study and the U.K. National Assistance Board study noted how workshy attitudes can develop over a long period of unemployment. Without appreciating fully the significance of this the C.E.S. somewhat ingenuously found that personal characteristics increasingly become more important as factors in hindering placement as the duration of unemployment lengthened.

The University of Wisconsin's Institute for Research on Poverty is examining the costs and effects of various income maintenance programmes. In describing the project, Joseph Heffernan has outlined a major concern:<sup>31</sup>

the widespread fear that there will be significant labour-force withdrawals in response to a more human transfer system stands as either a significant impediment to welfare reform or as a clarion call to couple welfare reform with rigid and perhaps repressive rules to regulate work response.

Heffernan points out that the choice between work and welfare involves consideration as to whether work as opposed to welfare offers (a) a higher income (b) enhanced self-esteem (c) a brighter future and (d) an opportunity to be of service to others. These are the real alternatives. He proposes a general economic theory within which work-incentive questions could be examined:

As income rises, a decreasing amount of satisfaction is achieved by acquisition of each additional dollar. Dollars then are said to have a decreasing marginal utility. Further, nonwork (leisure) is a desirable commodity and, when other things are equal, the lower the price paid for leisure, the more of it is wanted. But, leisure, too, has a declining marginal utility; the more leisure is available, the less additional increments of leisure are valued. Individuals who are free



(or even reasonably free) to set their hours of work will select a combination that satisfies their desire for both income and non-working hours.

Income maintenance programmes affect this choice. The project's preliminary findings reveal that there is no massive withdrawal from the labour force as a result of experimental income guarantee programmes.

In addition, the Royal Commission of Inquiry '*Social Security in New Zealand*' concluded that experiments it observed in the United States suggested that in some cases at least the payment of benefit-income increases economic and cultural aspirations and gives a positive incentive to work.<sup>32</sup>

We must again assert that there is little hard evidence to support or disapprove such a view.

The Social Security Department's paper on the subject, reviewed overseas evidence about the effects of unemployment, sickness and retirement benefits on work effort. In the case of unemployment benefits, the evidence showed little basis for the belief 'that the provision of unemployment benefits is liable to foster idleness in the general working population. Rather, there is some evidence to suggest that for most people work is a source of satisfaction which cannot be replaced simply by finance in the form of unemployment benefit.'

The Department noted that New Zealand experience, like that overseas, suggested that people do not abuse unemployment benefit. However, New Zealand has for 30 years had little unemployment and it is impossible to say what the effect here would be if there was a serious shortage of jobs for a long period.'

In a study for the Organisation for Economic Co-operation and Development, Bent Andersen suggests that human beings try to play the role they are expected to play according to the norms of the groups and the societies they belong to and unhappiness is the consequence of not being able to play the role that is expected. If a person is unable to earn a living through a job he becomes unhappy if he belongs to a society where persons are normally expected to get a job.

Leonard Goodwin reports on Data from a recent study in the Government Studies Programme, Brookings Institution, which indicate that 'even long-term welfare mothers and their teenage sons . . . continue to have a strong work ethic and do not need to be taught the importance of work. Poor people . . . identify their self-esteem with work as strongly as do the non-poor.' He concludes that two measures are necessary:<sup>34</sup>

- Lessen the risk of failure for the poor by removing discriminatory barriers;
- reduce the cost of failure, when it does occur, by providing a guaranteed income.

What, in fact, constitutes long-term unemployment? We have three sources of information — a Census and Statistics Labour Force survey in

1969, the Census and Statistics quarterly labour-force survey and statistics released by the Commonwealth Department of Social Services.

Social Services has made available information on numbers of persons receiving unemployment benefits as of 29 May, 28 August and 27 November, 1971.<sup>35</sup>

	May	August	November
Nos. receiving benefit	19,353	19,205	21,693
% Beneficiaries unemployed two months or more	35.59	41.14	37.89

The percentage of beneficiaries unemployed six months and over increased from 7.9% to 11.2% in November. The percentage increase in beneficiaries unemployed six months and over from May to November was:

62.46%	overall
60.50%	adult males
76.47%	adult females
58.61%	persons under 21

Social Services has also made a survey of the characteristics of unemployment benefit recipients as on 26 February, 1972. There were 38,826 in receipt of benefits — 35.1% were unemployed two months and over, 20.1% were unemployed three months and over, and 7.6% were unemployed 6 months and over.<sup>36</sup>

The Census and Statistics quarterly labour-force survey reveals that persons unemployed 13 weeks and over as a percentage of total unemployed has increased from 12% in May 1970 and 13.9% in May 1971 to 18.6% in May 1972. Persons unemployed four weeks and over as a percentage of total unemployment has increased from 42.4% in May 1970 and 44.5% in May 1971 to 54.3% in May 1972. The actual numbers unemployed 13 weeks and over increased from 8,600 in May 1970 and 11,500 in May 1971 to 20,500 in May 1972.

The following table lists the number of persons registered for unemployment with the Commonwealth Employment Service throughout 1968:<sup>37</sup>

January	96,213	July	61,432
February	79,149	August	53,541
March	69,363	September	48,362
April	66,986	October	46,488
May	67,346	November	59,762
June	65,253	December	83,161

These figures represent an average monthly unemployment figure of 66,421.3. But the figures don't tell us anything about the total number of people affected by unemployment throughout 1968.

In February 1969, however, the Bureau of Census and Statistics conducted a survey throughout Australia in order to obtain information about the work experience of persons aged fifteen years and over during

1968. Information obtained included the length of time during which persons were employed, unemployed or not in the labour-force, the number of unemployed, the main activity of those not in the labour-force, and, for persons who completed their schooling in Australia, the highest level of schooling completed.

The survey defined unemployed persons as persons who during the survey week did not have a job or business and were actively looking for work or were laid off from their job without pay for the whole week.

Civilian population, aged 15 years and over, in February 1969 by employment status, 1968, Australia:

Employment status	Males	Married Women	All Female	Persons
Unemployed at some time during the year	229,600	87,400	180,300	409,900
One period of unemployment	158,600	70,300	144,400	303,000
Two or more periods of unemployment	70,900	17,100	36,000	106,900

Persons unemployed in 1968 by age, marital status and number of periods of unemployment:

No. of periods of unemployment	Age Group (years)					
	15-19	20-24	25-34	35-44	45-54	55 & over
One	97,500	60,300	60,200	44,500	25,100	15,500
Two	13,100	9,600	11,000	6,400	*	*
Three	5,000	6,000	4,800	*	*	*
Four or more	7,900	5,900	6,500	7,600	5,700	4,600
TOTAL	123,500	81,700	82,500	61,600	35,900	24,600
	18.1%	9.9%	7.3%	5.5%	3.7%	3.2%

No. of periods of unemployment	Married	Not Married	Total
One	145,300	157,700	303,000
Two	21,300	25,100	46,400
Three	11,000	11,200	22,200
Four or more	20,100	18,200	38,300
TOTAL	197,700	212,300	409,900
			7.5%

Persons unemployed by level of schooling and period of unemployment:

Period of unemployment (weeks)	Completed schooling in Australia				Total	Completed Schooling Overseas	Total
	Matric. or Passed Leaving	Passed Intermediate or Junior	Attended Secondary School	Attended Primary School			
1, under 2	12,600	17,800	15,400	5,300	51,100	22,900	74,300
2, " 4	11,400	28,800	28,200	12,700	81,000	27,500	108,800
4, " 8	9,200	23,300	26,300	13,200	72,100	25,700	97,800
8, " 13	4,900	13,900	18,300	13,700	50,800	14,300	65,400
13, " 26	*	6,500	13,900	8,300	31,300	6,200	37,500
26+	*	*	8,400	7,000	20,300	5,500	26,000
TOTAL	42,300	93,500	110,500	60,200	306,600	102,000	409,900

128,900 were unemployed for 8 weeks or more

63,500 were unemployed for 13 weeks or more

\* Less than 4,000 subject to sampling variability too high for most practical purposes.

Source: Labour Report No. 55, 1970. Commonwealth Bureau of Census and Statistics, October 1971. p. 232, 236 and 237.

### The Effects

How do the unemployed feel? What can we learn from them? What are the effects of unemployment. Researchers and social workers agree that three main factors govern both individual and general behaviour among the unemployed:

- the cultural background of the person;
- the length of time he has been out of work;
- public opinion and the labour market situation.

The effects of unemployment are, however, difficult to separate from the other experiences of people — in particular, their poverty. A person from middle-class circumstances may find his self-confidence deflated sooner and deeper than a person in working-class circumstances who regards unemployment as just another problem. There are less social pressures on the working class than the middle-class who live in a psychological environment where the incentive to independence and self-support prevails.

There is also a need to distinguish between those persons accustomed to security and regular work and those accustomed to insecurity and irregular work. Long-term unemployment makes workers more vulnerable to later unemployment. In 1968 Adrian Sinfield conducted a study for the organisation for Economic Co-operation and Development on long-term unemployment. He found no single measure which could adequately indicate the impact of unemployment. The effects are many and varied; economic, social and psychological, temporary and lasting, obvious and concealed: <sup>38</sup>

unemployment is particularly traumatic for persons accustomed to security and regular work; there is a loss of the sense of security — economic and psychological. Adjustment is most difficult among those unaccustomed to and/or not expecting unemployment; income drops to below poverty level or remains on an already low level; the insecurity and anxiety of unemployed parents is soon felt in their children. Unemployment strikes at a family's security; personality changes can show up — irritability, new faults, breakdown in morale and health and emotional stability. Prejudices may increase.

### **A New Scale of Benefit Rates**

Because no family expenditure surveys have been carried out in Australia and there is very little information available on living costs for different age and family groups, suggestions for increased unemployment benefits must be arbitrary.

Any responsible interim recommendation has also to take into account the reality of present rates of age, invalid and widow pensioners. A strong case can be made to show that all pension rates are inadequate.

Increases of unemployment benefit rates on which so many people now depend as their sole income, are a matter of immediate urgency and increases must not be delayed. Suggested increases have therefore to be kept within the framework of present pension rates.

The recommendations are for unemployment benefits to be adjusted to basic pension rates. After two weeks out of work and with no certainty of when wage income will be resumed, there are few expenses that can be postponed. There is therefore a strong case for adopting the basic pension rates. Similar recommendations have been made by the Australian Council of Social Service.

If there is a case for a differential between rates for those dependent on unemployment benefits for from two weeks to more than six months, and elderly people or widows and children permanently dependent on pension rates, then it should be met by further increasing the basic pensions rates and not by down-grading the rate of unemployment benefit. There should be no distinction between amounts paid to 17–20 year old and adult single people unless the minors are living at home. If they are at home the rate should be \$10.

The poverty line established by the Institute of Applied Economic and Social Research at the Melbourne University for a family of man, wife and two children, updated in accordance with increases in average weekly earnings to May 1972, is \$52. If this line is thought to have risen rapidly since 1966, when it was a bare \$33, it is an indication of the gains made by the rest of the Australian community, as the method of up-dating used maintains the poverty line as a constant proportion of average weekly earnings. The unemployment benefits received by a man with a wife and two children is only \$34 plus child endowment

The thought of a single adult person having to live on \$17 a week is quite incomprehensible. A person would be fortunate to get accommodation of any kind for \$7 a week other than in an overnight charitable refuge. The choice must be between food or shelter.

A family with husband, wife and two children having to pay rent is also in an impossible position after the first week, even if they have some savings or help from friends or relatives, and most do not have this help and should not have to beg for it. Unemployment means borrowing from friends and relatives, lapsed hire purchase commitments, pawned household articles, unpaid gas and electricity bills and unpaid accounts with tradesmen.

Rent alone would absorb a half to two-thirds of the \$34 that a man with a wife and two children would receive unless they were fortunate enough to be in rent rebated Housing Commission accommodation. The food bill alone would be \$20.

Young single people from the country, aborigines and migrants with language disabilities faced with loneliness and with the least chance of re-employment are the hardest hit. After the 1972 Budget, a group of social workers active in the area of migrant welfare in Melbourne wrote to the Prime Minister, Mr. McMahon, deploring the fact that no provision has been made for increasing the level of unemployment benefit.<sup>39</sup>

During the post-arrival period most migrants are faced with very heavy financial demands. Even minor work disruptions can cause major financial problems for them at this stage. Basic needs for food, clothing, etc. together with heavy hire purchase and rental commitments which combined take most of working wage. Few migrants in the early years after their arrival are in a position to save money which may help them cope with unemployment even when short-term. The results of prolonged unemployment can be disastrous. The repercussions of unemployment involve more than just financial hardship. The emotional stresses generated by the impossible task of maintaining a family without income for two weeks, while awaiting the first payment and then surviving on the present unemployment benefit are such as to have long-term effects upon the individual and family.

One point that needs to be taken up here is the suggestion that the poor are only interested in instant gratification — that they waste their money on trivialities such as television, beer, cigarettes and gambling. This is an interesting criticism that tells us more about the critics than it does about the poor. There is a naive arrogance about persons who are at pains to point out the inadequacies of the working class. Their criticisms frequently and carefully neglect their own comfortable existence — rising incomes, spacious and luxurious homes, a longer life expectancy, life insurance, hospital benefits coverage, bank accounts, a lower age of retirement, more inherited wealth and eligibility for tax concessions. The discovery of inadequacies in the working class however, enables us to avoid the inescapable conclusion that the poor are victims of inequality, discrimination and deprivation.

Consumption is the one sphere where the poor can make some progress. Our whole society is geared to consumption in order to win the respect of others and to maintain our own self-respect. The poor have no opportunities to base their self-respect and the respect of others on educational achievements and occupational status. David Caplovitz argues that consumption is compensation for blocked social mobility. Poverty is about the lack of opportunities and a denial of choices. The poor have very little money, but it is theirs and, surely, their choice as to how it should be spent.

### Conclusion

The majority of the unemployed are semi-skilled and unskilled workers who are usually migrant, young or old. The present high unemployment is symptomatic of an international trend which has been delayed in Australia due to such factors as the mineral boom. With the collapse of this boom, Australia is likely to face serious structural unemployment difficulties — a growing pool of unemployed unskilled and semi-skilled persons.

Workers do not create jobs. As jobs are created by economic forces outside of their control, it is desirable that there should be some social compulsion about the provision of jobs. If private employers cannot provide employment, then, the government should. William Beveridge has this to say: <sup>40</sup>

There are some who will say that full employment, combined with unemployment insurance, will remove the incentive of effort which depends on fear of starvation. The answer is that for civilized human beings ambition and desire for service are adequate incentives. It may be that cattle must be driven by fear. Men can and should be led by hope.

Poverty is the consequence of no jobs and poor jobs. It is very difficult to determine the extent to which a person is to blame for their own unemployment. There is a complex relationship between imposed or learned dependency and perceived responses. It is very difficult to assess the difference between bludger and victim. When jobs are available men and women take them up. If positions are vacant they will be filled. As well as the desire to earn as much as possible there is a work ethos in western societies that is a strong influence in ensuring that jobs are taken. The experience of most social workers in Australia is that all but a few men would prefer to work than live on benefits even if they were equal to wages. Government studies in New Zealand and the U.K. confirm that very few people abuse benefits.

People may have a duty to work but there is little point in blaming the unemployed when there are no jobs, when the available jobs are inaccessible and when the jobs exclude unskilled and semi-skilled workers. The increasing trend towards the elimination of human labour is a present reality for unskilled and semi-skilled workers. In the meantime, the inherited affects of the Poor Law and the Puritan Ethic have permeated our

society with an authoritarian work ethic that stresses industry, frugality and prudence. An ethic that assumes all men can make of their own lives what they will and that people ascend or descend to their appropriate levels in society. The low status unskilled and semi-skilled descend to low status, low paid occupations. It is unreasonable to expect unskilled and semi-skilled persons to be content with jobs that do not provide them with sufficient income for a reasonable standard of living. The right to work means a right to a living by work.

In the U.S.A., a study by Harlem Youth Opportunities Unlimited revealed that social pathology (delinquency, crime, illegitimacy and homicide) was related to and perhaps caused by poor jobs more than by unemployment.<sup>41</sup>

The time will come when workers will have the free choice of employment or unemployment. Then, and only then, will the nexus between jobs and income be broken. People may be paid an income and given the choice of whether to work or not.



### Case Study

Many unemployed people travel many miles to seek work and this can cost up to \$2 per day on public transport. N. is an unmarried migrant who was retrenched from his firm for six weeks. He constantly sought work during that time and was spending up to \$10 per week on transport. He would catch a train to a certain point and quite often find that there are no buses to his destination so he was forced to hire a taxi.

Even if he were to pay out only \$5 per week in public transport costs, already one third of his unemployment benefit would be gone.

### Case Study

Unemployed persons in Commonwealth Hostels have a proportion of their unemployment benefits deducted to pay for hostel charges. N. has a wife and two children, and is paid \$34.00 in unemployment benefits. The Hostel deducts \$20.40 — leaving N. and his family \$13.60 to cover other expenses.

### Case Study

It was in the closing months of 1970 when Mr. C. arrived in Australia. A saddle maker in Greece, he was followed by the rest of his family early in 1971. Despite his 59 years he immediately found a job on arrival. However, it was not long after his family arrived that he found himself unemployed and receiving his cheque each fortnight. And here the saga begins:

- each Monday he appeared at the employment office
- each Monday he was given a form to complete (all in English)
- each Monday he appeared at our office for assistance
- each Monday he was told 'no job — sorry'
- regularly his cheque arrived . . .

One week, two weeks, three weeks, two months, six months, eight months,  
each Monday the same  
soul destroying journey to the employment office  
incomprehensible form to be filled in  
scandalously inadequate 'benefit'  
each Monday for one year!!

Then, after 12 months, almost on the anniversary of his first walk to the employment office, he was sent to his FIRST job.

Unemployment is a state of injustice.

Very few people would accept this view and, instead, most of us adhere to the view that unemployment is a state of misfortune which requires charity and compassion — a comforting view that avoids troublesome questions concerning deprivation, discrimination and inequality.

We create a social welfare system which has the aim of protecting people by giving them an additional income or supportive services when they have insufficient means to live at standards which society regards as minimal.

There is an unfortunate difficulty, however, in the process of identifying categories of people who are in need and then determining and measuring their need. Need is relative. There are no absolute standards of need. The definition of need is constantly evolving and becoming more elaborate as society itself changes and grows more prosperous.

The situation can only be resolved by the establishment of a minimum standard of living below which no-one shall be permitted to fall. (This question is pursued in the chapter on What Should be Done? under the guaranteed minimum income proposal.)

In the meantime, policies for the unemployed, no matter how vaguely based or formulated, are created and implemented. An examination of these policies will indicate that the policies are grounded in paternalistic assumptions.

Responsibility for the unemployment in Australia is shared between the Commonwealth Employment Service and the Commonwealth Department of Social Services. The Social Services Act, which is administered by the Department of Social Services, provides for the payment of benefits to unemployed persons. By arrangement with social services, the facilities of the Commonwealth Employment Service are used for the lodgement of claims by the public.

The Commonwealth Employment Service (C.E.S.) acts as a servicing agent for unemployed persons seeking jobs and employed persons seeking better jobs. The emphasis is, however, on the unemployed and this has the unfortunate effect of encouraging negative attitudes in officials, the unemployed and employers. Workers are sometimes reluctant to use its services. Professional and white collar workers especially prefer to use private employment agencies and look for their own jobs. Employers tend to regard the C.E.S. as an unemployment agency and that its registrants are the least effective workers. Overseas experience has shown that very few workers are recruited through government employment services — 16% U.S.A., 30% West Germany, 33% Sweden and 25% U.K. (1965).<sup>42</sup>

An unemployed person seeking work registers for employment with a District Employment Office. Most workers who register for employment are psychologically depressed. The physical unattractiveness of the District Employment Offices and the negative attitudes of many of the officials manning them aggravate this condition. The offices are typically dingy, unkempt and austere. The officials are typically harassed, insecure and desperate.

The unemployed person's name is taken at the counter and he is asked to join a row of seated unemployed. There is no privacy. He has a wait of from 10 to 30 minutes. He is called up for an interview and asked to go to a cubicle where an officer interviews him for perhaps 10 minutes. More often than not, there is no job available. If eligible, he is given an unemployment benefit claim form and advised that if he is still unemployed in seven days to return to lodge a claim. Seven days after this he will receive benefits — 14 days after the initial contact with the District Employment Office.

The first seven days constitute what the C.E.S. terms a waiting period. Instead, it has the effect of deterring and discouraging the unemployed.

Presumably, the purpose of the 7 day waiting period is to avoid large numbers of applications for unemployment benefits from people who are likely to obtain employment within 7 days. It assumes that families will have savings and perhaps holiday pay in addition to the last pay received at work. However, the week's pay when a job ends is not pay in advance. It is meant to cover the expenses of the week in which work ends and also the first week of a new job.

Assumptions about savings and the shortness of the period of unemployment may be correct for some people, but as so often happens, the poorer families suffer greatly because these assumptions on which social policy decisions are based do not apply to them. For these people the 7 day waiting period imposes undue hardship when they are having to adjust to an income that is anyway far below the poverty line. The waiting period should be reduced to 3 days or abolished.

It is usually 17 days after loss of job that a person obtains the first unemployment benefit payment and the amount does not cover the first 7 days of waiting period. In some cases delays are much longer due to tardiness in provision of information by employers, incorrect information by applicant or sometimes an administrative delay.

Time is necessary to process applications and confirm eligibility, but this 17 days can be a period of great hardship and tension for a family that does not have savings. They may receive some help from a State Welfare Department. In Victoria they will also have to trail around to voluntary agencies to get extra assistance. This added burden could be removed if the Department of Social Services was permitted to make an immediate advance payment at the time of application when this seemed necessary.

The Department of Interior Welfare Service in Canberra makes immediate payments at the level of the pension or benefit that has been applied for. So does the South Australian Welfare Department. In Victoria there is only a very limited emergency grant.

While the C.E.S. is responsible for certifying as to compliance or otherwise with the work test, the decision on payment remains with Social Services. To qualify for unemployment benefit a person must be between 16 years of age and being male 65 or being female 60. An unemployed person must satisfy the Commonwealth Department of Social Services that he: <sup>43</sup>

- (i) is unemployed and that his unemployment is not due to his being a direct participant in a strike;
- (ii) is capable of undertaking, and is willing to undertake, work which, in the opinion of Social Services, is suitable to be undertaken by that person.
- (iii) has taken reasonable steps to obtain work.

Having met these qualifications, however, an unemployed person does not automatically qualify for unemployment benefits. The benefits are subject to a means test. If an unemployed person or his family has additional income in excess of \$6 a week, benefit payments are reduced proportionately \$1 for \$1. No benefits are paid if the additional income is \$23 a week or more.

The process of registering claimants, seeking suitable work for them, and determining whether they are prepared to accept the offer of such work, constitute what is called the work test. If beneficiaries reject two jobs that the C.E.S. regards as suitable and within reasonable distance of your home, a report on this will be forwarded to the Department of Social Services.

The determination of suitability is largely at the discretion of C.E.S. officers. A claimant for unemployment benefit can refuse: <sup>44</sup>

- (i) to accept employment which is not covered by any industrial award, agreement, etc., unless it carries remuneration at least equivalent to the recognised or ruling rate for such employment;
- (ii) to accept employment which would involve living away from home if the claimant: is under the age of 18, is residing with wife or dependent children, has a pregnant wife, is pregnant; unless the claimant has been accustomed to undertaking such employment notwithstanding personal or family circumstances.
- (iii) to accept employment involving living away from home in any case where the conditions and amenities attaching to the employment do not reach the standards usually applicable to the type of employment.

Provision is made also for an unemployed person to be given an opportunity of stating his reasons for refusing the employment offered.

Regulations concerning the work test and other procedures are documented in a confidential District Office Manual. The Department of Social Services also has a confidential internal manual. The respective statutes for the C.E.S. and the Department of Social Services contain vague and general criteria for the application of policy. There is a great deal of discretionary power for the application of specific policies. Procedures for these policies are contained in the internal manuals.

The C.E.S. and Social Services would probably argue that the manuals are internal guides for departmental officers, that making the manuals public would not be in the interests of the unemployed, that the humanity and efficiency of both departments rest on the very wide discretionary powers allowed officers and, finally, that publication of the manuals would make the system more rigid and less responsive to individual needs.

This discretionary power is crucial. Some individual officers of C.E.S. have discriminated against persons they dislike. They "black-list" them by such measures as not looking for jobs and sending adverse reports to Social Services. Then, of course, each District Employment Office develops a priority system by which is meant that some unemployed persons are given more attention than others. Individual officers of the C.E.S. have been known to delay the unemployment applications of migrants and young people by telling them to first go to voluntary agencies or its State's Social Welfare Department. Another delaying tactic is to tell people to come back "tomorrow" or "next week" because a job would be available — without giving them an unemployment benefit claim form. On the other hand, one District Employment Officer has approved a claim by an unemployed person citing his work as poet and philosopher. This particular person received unemployment benefits for seven months. The same office has permitted one applicant who lives in the same area, to fill out sufficient forms covering a four week period and, therefore, saving him the time and trouble of having to come in each week.

The difficulty with a system based on discretion is that it assumes equality and fairness for all. The work test is a case in point. We have already noted that unemployed persons should be given the opportunity to state why they have refused a job offer. But this provision is provided for in a confidential manual which the unemployed do not have access to. How is it possible to appeal against decisions when you are not aware of the basis upon which decisions are made and whether you have a right to appeal. The work test is also as interesting for what it does not say as for what it does say.

Provision should be made to protect the rights of the unemployed in much the same way as provided in the 1972 Employment Training Scheme for Persons Displaced by Redundancy. The scheme provides that persons displaced or likely to be displaced from their employment will be eligible for training provided there is no alternative suitable

employment. The scheme provides that alternative employment will be regarded as unsuitable if it involves: <sup>45</sup>

- excessive daily travel to work;
- a need to consider change of place of residence so as to be near the alternative employment;
- downgrading of a job;
- alternative employment subsequently found unsuitable for understandable personal reasons.

In Australia the unemployed have a statutory right of appeal against decisions of the Department of Social Services to the Director General of Social Services who 'may affirm, vary or annul its determination, directive, decision or approval.' This is similar to the New Zealand situation where aggrieved people can appeal against a decision of the Social Security Commission to the Commission itself. A person may, within three months of being notified of a decision, appeal to the Commission. Most appeals are decided after considering the information which may have later come to light from the appellant or from some other source.

As no statutory right of appeal from decisions of the Social Security Commission exist, such decisions are within the review powers of the New Zealand Ombudsman. He may report or recommend if a decision <sup>46</sup> appears to have been contrary to the law; or was unreasonable, unjust, oppressive, or improperly discriminatory; or was in accordance with a rule of law or a provision of any enactment or a practice that is or may be unreasonable, unjust, oppressive, or improperly discriminatory; or was based wholly or partly on a mistake of law or fact, or was wrong.

In Australia the unemployed have no statutory right of appeal against decisions of the Director-General of Social Services. There is no provision obliging Social Services to give detailed reasons when a benefit is refused and provide unemployed persons with copies of files on them. It is very difficult to appeal against a decision when you are ignorant of the basis upon which that decision was made. The nature of the hearings is also at the discretion of the Director-General. There is not even provision to ensure aggrieved persons will be granted an interview with the Director-General.

Australia's unemployed have, of course, the citizen's normal right to approach the Minister for Social Services or the Minister for Labour and National Service directly or through a member of Parliament. The Minister may then ask his Department to review a decision and, at any rate, his directive will prevail.

Other criticisms have been made by former employees of the C.E.S. who questioned the sort of service provided. Firstly, because the C.E.S. encourages people to be dependant who are quite capable of finding jobs for themselves. The Swedish public employment service, in contrast, provides job-seekers with a better group of the labour market by providing them with local and national job lists which openly report

vacancies with specifications of tasks, employers, pay and other terms of employment, housing conditions etc. On the basis of this data job-seekers can compare different vacancies and then get in direct touch with the employer on their own.

The C.E.S. would probably counter-argue that it is in a position of trust with employers who expect the C.E.S. to send appropriately qualified applicants for positions. If applicants by-passed the C.E.S. it would not be possible to eliminate unsuitable applicants. The answer to this is that the C.E.S.'s first responsibility is to the individual persons registered for employment and it is more important to encourage their initiative and responsibility than it is to inconvenience employers.

Secondly, because the C.E.S. concentrates on those people who are easily placed to the detriment of disadvantaged groups. If you can't speak English and like many migrants have to rely on persons behind the counter your difficulties are compounded. Two young Christian Workers witnessed an incident in an employment office where a migrant was handed a form to complete. He took it over to a table and just looked at it.

Many migrants have an understandable difficulty in coping with a situation that does nothing to alleviate their anxiety about being unemployed. Instead of having someone who will sit down with them to talk about the situation and work out the possibilities, they are given forms printed in a language they don't understand and which they are not allowed to fill-in at the employment office.

A study by the Organisation for Economic Co-operation and Development has shown positive results from giving unemployed persons lengthy interviews aimed at determining the difficulties involved and then helping them to return to the workforce. There was little of the anticipated hostility and resentment. Gertrude Williams reports that the people interviewed welcomed the opportunity to discuss their situation with helpful, friendly, non-censorious and understanding interviewers. Interviewers exercised skill and patience in eliciting relevant information which contrasted with the 10 minute interviews most unemployed persons get when they contact public employment services. It is quite impossible to assess an individual's situation in such a short time.

Gertrude Williams also suggests that the use of brief interviews means that many unemployed persons will be written-off as aggressive, truculent and workshy when, in fact, they have a disability that is not immediately recognizable. The officers write them off and the unemployed believe that nobody is taking an interest in their situation or is willing to help.

Thirdly, because the success of the C.E.S. is measured by the number of placements — the number of persons referred to employers by the C.E.S. whose employment is confirmed —

district officers are under constant pressure to increase the number of unfilled vacancies and to increase the numbers placed in employment. A former senior officer with the C.E.S. has suggested that "some District Officers doctor the actual number of placements in their reports to the Central Office, and the doctoring always shows that more have been placed than in fact were". A much more serious tampering occurs when District Officers increase the actual numbers registered as unemployed. "It's part of the ritual. We all know it goes on. Head Office knows it. It's part of the game", said another former officer with the Department. He suggested that many District Officers would on paper increase the numbers registered as unemployed at their Offices by as much as 5%. "The reason is quite simple," he said, "it's a question of showing how heavy your work-load is."

Social workers make these sorts of criticisms of the C.E.S.:  
complexity of eligibility,  
assistance is not well publicised,  
complicated and ambiguous application forms,  
unsatisfactory contact with staff,  
failure to advise properly,  
having to wait up to 4 weeks before receiving first benefit,  
unsatisfactory jobs offered — expecting people to  
travel to way out areas,  
short interviews.

In Canada, the U.S.A. and most European countries policies for dealing with the unemployed have come under increasing criticism and scrutiny - mainly by academics, social workers and students. Campaigns have on the whole been controlled by a coalition of well-meaning middle class professionals. In recent years, however, the emphasis has been shifting from the professionals to the poor themselves.

In the U.S. a National Welfare Rights Organization was established in February 1967. By 1969 there were 100,000 dues-paying members. NWRO is an organization composed of recipients. Most of its organizing has consisted of efforts to settle individual grievances. It has concentrated on increasing benefits for existing recipients rather than finding and organizing the non-recipient poor. NWRO has also published a handbook on welfare regulations.<sup>47</sup>

The U.S. experience has shown that under ordinary circumstances increases in unemployment do not produce comparable increases in Welfare rolls. But, after years of agitation, litigation and publicity by NWRO and other groups the number of families on welfare on rolls increased 55 per cent — from 1,545,000 families in February 1969 to 2,400,000 families in October 1970.



In Victoria there has been a similar pattern where agitation and publicity by such groups as the Council for Single Mothers has led to a phenomenal increase in the numbers of unmarried and married mothers receiving assistance from the Social Welfare Department. The number of single mothers getting help rose from 1280 (1970-71) to 1983 (1971-72) and the number of married mothers getting financial help increased from 527 (1970-71) to 1023 (1971-72).<sup>48</sup>

In the U.K. the first Claimants Union was established in 1968. The<sup>49</sup> latest published list named 80 Claimants Unions. Each Claimant Union is fully autonomous. There is a National Federation of Unions which meets every three months to co-ordinate strategy, as well as a number of regional Federations. But these bodies have no ongoing organisational structure. Decisions are taken by vote at the meetings, and are then referred back to the local groups for action. Anybody who is claiming, or has claimed in the past, is entitled to become a member with full voting rights at all meetings — the unemployed, unmarried mothers, aged pensioners, invalid pensioners and widows pensioners. The Claimants Unions are organised round a simple slogan: fight the Social Security. The Claimants Unions attempt to make sure that every claimant is fully aware of what he or she is entitled to, and goes with them in person to the Social Security Officer. The National Federation of Claimants Unions subscribes to four basic demands:

The right to an adequate income without means test for all people.  
A free welfare state for all with its services controlled by the people who use it.

No secrecy and the right to full information.

No distinction between so-called 'deserving' and 'undeserving.'

Australia has the embryonic beginnings of a National Welfare Rights Organisation and Claimants Union. In March 1971, 6 people established<sup>50</sup> Client Power in Queensland. Client Power has about 100 active members in two branches. The members of Client Power are men and women who received money from Queensland's Department of Children's Services. The aims of Client Power are to:

work for the benefit of all women and children who receive money from Children's Services,  
ensure that services provided by Children's Services improve,  
ensure that Children in State homes are returned to their own homes as soon as possible,

work to make sure that the amount of money paid per week is increased,  
make certain we receive what we are entitled to.

Client Power argues that 'as individuals they are likely to get caught up in the cogs of the Welfare Machine. As a group we can pool our resources and our thinking.' Client Power says there are five problem areas in the provision of welfare services.

Many people we know do not get what they are entitled to under the existing legislation which controls the Children's Services Department.

Some rates of assistance remain unchanged even though the cost of living increases.

Some Welfare Officers do not seem to use the present legislation to assist us but instead use it against our interests.

State Government Departments work together to ensure that the person getting assistance from the Department of Children's Services does not get anything like what the papers say we should get.

The Department of Children's Services refuse to tell us what we are entitled to or even how it determines who is eligible and who is not.

The Brotherhood of St Laurence was perhaps the first organisation to be actively concerned with the plight of the unemployed when in 1961 it produced a booklet on Benefit — a study of unemployment and unemployment benefits in Australia. The pamphlet dealt with 'the effect of unemployment and discusses ways in which our social services should be improved to relieve pressure on those who are unemployed.' This period (1961-62) saw a severe recession and the Brotherhood significantly contributed towards alerting public opinion to the plight of the unemployed.

The recent recession (1971-72) again saw an increase in unemployment and a further campaign by the Brotherhood. Most critics of the unemployment situation spoke in terms of economic measures needed to give the economy a necessary boost. As in 1961, the Brotherhood concentrated on the desperate personal situations of the unemployed — the persons behind the statistics. A letter expressing their concern was forwarded to the Prime Minister with the signatures of church leaders, economists and welfare workers. In February 1972 David Scott (Director) and Peter Hollingworth (Associate Director) co-authored a pithy booklet, *Why so Harsh on the Unemployed?* The Brotherhood's campaign deliberately concentrated on vital measures which could be implemented immediately such as increasing unemployment benefit payment and the provision of emergency grants. By now the Brotherhood's campaign was having effect and other critics of the unemployment situation were calling for increases in benefits and, then, on 25 February the Government announced certain increases in benefits, the most significant increase being for a single adult from \$10 to \$17. But the increases were piecemeal and a great deal needs to be done.

There has also been a trade-union inspired Right to Work campaign which was in November 1971. The main function of the campaign was to bring to the public notice the massive unemployment and the right to work. A 'Happy Christmas from the McMahon Government' poster was distributed and a 30-second commercial was shown on HSV7 for a week. The initiators had hoped that the campaign would continue throughout 1972, but Right to Work lapsed through lack of union support.

The Action Committee for Pensions and Social Service justice was formed out of the Northern Suburbs Action Committee in June. In October 1971 a meeting of unemployed was held, but only 40 attended. Another meeting was held in December and this time only 20 attended. From the meeting, a Central Unemployment Committee was established which organised for Christmas Eve a mobile placard rally. A Moratorium for social service was held on 5 May, 1972 in Melbourne, but only about 2000 attended and marched. But, in addition, an estimated 20,000 waterfront, maritime and meat workers, stopped work.

In July 1972 the Social Service Action Group was established in Victoria. Up to 60 people have attended meetings — the majority consisting of widows, deserted wives, sickness beneficiaries and unemployed beneficiaries. Membership is open to members of the 'welfare industry', but control will be vested in social service recipients. At meetings of the group recipient members have already criticised social worker members for talking over their heads. The Group is still in its formative stages. Branches have been established in Broadmeadows and North Melbourne. The Young Christian Workers are also actively concerned about the plight of the unemployed. Earlier this year, the Y.C.W. in Melbourne organised a meeting of unemployed in St Kilda to: <sup>51</sup>

- try and get people to understand their plight as it was felt that the great majority of people do not understand the unemployment situation,
- share ideas and experiences and gain knowledge about unemployment benefits, subsidised health benefits and where the local employment office is,
- make recommendations to Federal Ministers.

## Conclusion

The operations of the Commonwealth Employment Service and the Department of Social Services should be examined for their effect on persons using their services. A Danish study has shown that the negative attitudes of officials may hinder the return to work: 'There is increasing evidence that the unemployed are willing to be helped and that changes in employment service procedure and officers' attitudes may be as important as changing the client.'<sup>52</sup>

More needs to be done in informing unemployed persons of the basis upon which decisions affecting them are made and aggrieved persons should be given every opportunity and support to appeal against decisions. Social security is the responsibility of the community and the right of the individual.

Many large organisations attempt to impose rationality, efficiency and predictability through rigid, restrictive and secretive regulations. The C.E.S. and Social Services regulations are documented in confidential internal manuals. This confidentiality is symptomatic of an

over-emphasis on public service detachment and expertise to the exclusion of looking at the unemployed as whole people with feelings and rights. A refusal to make public the manuals is to regard the unemployed as welfare cases without rights. This paternalistic approach is further evidenced in the failure to make public the annual report of the Commonwealth Employment Service. The report has a selective distribution within the C.E.S. The withholding of these publications makes it difficult to assess the efficiency of existing policies and places aggrieved persons in an invidious position of not knowing their rights and being subject to the generosity and fairness of individual officers.

At the very least, Australia should follow New Zealand's example and provide for a review other than Ministerial discretion, of decisions by the Director General of Social Services. Australia should in fact allow for statutory rights of appeal against decisions and procedures of the Commonwealth Employment Service and the Director-General of Social Services. These appeals should go to an independent tribunal. The Department should also be obliged to give unemployed persons detailed reasons for decisions and supply them with copies of personal files maintained by C.E.S. and Social Services. The C.E.S. should also be obliged to provide evidence of efforts made to secure work for unemployed individuals.

These proposals will be criticised on the basis that if they were implemented they would inhibit the work of the C.E.S. and Social Services. It is true that officers would be reluctant to continue the existing system of reporting on the personal appearance, personal habits and behaviour and evidence of attitude to work by the unemployed. But, surely, anything that promotes a more careful assessment of individual needs is desirable. Reports about 'scruffy and unkempt', 'dirty' and 'unreliable' individuals can become labels and stereotypes. The whole emphasis should be on the needs of individuals and this can best be affected through a process of open decision making where black listing is prohibited, where categorising is impossible and where officials are forced to adjust their own attitudes in their own interests.

Mr. Clyde Cameron has suggested that some of those who have been unemployed and know the special problems that are encountered should be recruited into the Commonwealth Employment Service:<sup>53</sup>

In this way, employment officers will come to see the importance of treating each caller as a customer to be welcomed rather than as an applicant to be patronised.

## Case Study

M. has been in Australia for a little over a year. His wife and baby have been here for eight months. He worked for a car manufacturer earning, before his retrenchment, \$57 per week. His wife earns \$31 per week net as a process worker in a chocolate factory. Between them their income was \$88 per week net and their cost of living approximately \$65.

Rent of Flat	\$17.00
Hire Purchase for fridge and T.V.	8.50
Creche for baby	8.00
Hospital benefits	2.10
	\$35.60

Gas & Electricity	4.50
Food	These are 15.00
Clothing	approximate 5.00
Fares	amounts 5.00
	\$29.50

Outright weekly payments	\$35.60
plus	
Varying weekly costs	\$29.50
Total	\$65.10

(Because his wife is working, M. did not qualify for unemployment relief. This man is not being depicted as a hard luck story. He has handled his money sensibly, and has a new fridge and T.V., but even without the cost of these, his cost of living would still be approximately \$56.00).

He was unemployed for five weeks.

## Case Study

In 1965 a skilled migrant employee of a tyre and rubber company received a service emblem for more than 10 years service. After a hernia operation in the same year, the employee was dismissed. There were subsequent jobs but they didn't last. The man has been unemployed since 1969.

Upon applying for a job, I am asked as to my previous employment. When they find out that I have a back injury, they refuse to employ me.

This man is not eligible for unemployment benefit because his wife works, earning \$36 a week. In his own words:

As far as you know, I am living from the earnings of my wife —  
What a shame! I want to live.

The real problem lies with the complacent attitudes of the majority who tolerate the injustice of underemployment and unemployment.

Unemployment is rarely the fault of individual unemployed persons. The availability of work is controlled by forces outside the influence of the individual.

There are two unfortunate tendencies, nonetheless, to, firstly, regard the unemployed as people who need to be protected from themselves and, secondly, assume that the community needs to be protected from the unemployed.

Existing policies and practices are essentially punitive and orientated to the needs of the economy. There is a need to change the emphasis and priorities. This calls for the establishment of a Human Resources Development programme which would —

- help individuals select and obtain productive and personally satisfying employment,
- increase the skill level of individuals through appropriate training and retraining programmes,
- help individuals to relocate in the nearest area where suitable and more productive employment exists,
- help workers and employers adapt to technological and other changes,
- help reduce fluctuations in employment and shorten and minimise the period and hardship of unemployment,
- provide topical information on the labour market and, more specifically, on occupational demand and supply.

The need for a human resources development programme was partly foreseen in 1934 when Edward Theodore called for the establishment of a National Employment Council consisting of employer and employee organizations, businessmen, economists and statisticians. Theodore envisaged that the Council would study unemployment in all its phases, arrange for the collection of statistics, examine causes and economic effects: <sup>54</sup>

This work should be systematic and permanent; it should not be sporadic, as it has been in the past. The consideration of the question should not be undertaken only when the problem reaches the acute stage.

Two years later E. Ronald Walker was advocating the establishment of a permanent system of unemployment relief which would <sup>55</sup> incorporate certain basic principles —

- adequate sustenance for every genuinely unemployed person and their dependants,
- as far as possible those who are unemployed through a general depression should be provided with work at full award rates on public works,
- pauperisation should be avoided,

a system should be developed which would not be radically revised by every change in party government, as far as possible the whole system should not operate to increase unemployment.

In 1945 the Federal Government established the Commonwealth Employment Service under the Re-establishment and Employment Act 1945. In introducing the Act, John Dedman said that the C.E.S.:<sup>56</sup>

must be in touch with employment trends, with changes in skill requirements within different industries. These data in turn are required to plan the incidence and need for public works programmes, to protect the requirements of workers of different types or in different places, and to arrange advance training, facilitate geographical and industrial mobility of workers and to dispense with unemployment.

In 1971 the Commonwealth Employment Service tentatively attempted to set up a new social policy section which would:<sup>57</sup> carry out research into the effects of social, cultural and environmental influences on employment and employee welfare. Particular attention will be paid to problems of disadvantaged persons in urban and non-urban areas and to the social and economic impact of urban development, leisure and the technological environment.

But the appointment of a Principle Executive Officer, which had already been made, was cancelled overnight and other staff recruited are, at present, languishing. This situation is to be contrasted with that of the Swedish who have realised that the most important determinant of a well-functional labour market is the provision of good information about it.

The ACTU has indicated the sort of areas that a social policy section could be investigating:<sup>58</sup>

the projected trend of technological change over the next five years in different industries and occupations and to change in manpower requirements,  
the employment problems of varying age groups within the development,  
the psychological and medical problems involved in differing age groups confronted with change or in particular situations,  
the techniques required for retraining in different age groups.  
case study of problems associated with geographical re-location for typical age grouping; the human element and cost factors involved; redundancy problem —

- (a) workers over 55 years of age and younger workers
- (b) the 'working life' and how best to introduce shorter working time and the effect of the 'big city' on them; and

the need or otherwise to review the education system for the 'new era' as undertaken in the USSR 1957, Sweden 1962.

Australia has enjoyed low unemployment levels through good luck rather than good management. It is time to recognize that luck is fortuitous. A human resources development programme necessitates the adoption of integrated policies which recognize the interrelationship between political, economic and social policies. Such an approach would see the complementary relationship between training schemes, unemployment benefit rates, decentralisation policies and anti-discrimination legislation. What follows is a comparative survey of existing policies in Australia and overseas countries. The chapter concludes with a series of recommendations.

## Information

The pre-requisite for the maintenance of a well-functioning labour market is the provision of good information about it. Australian statistics on the labour market are unfortunately inadequate. They are vague and imprecise — a bureaucratic design in deterrants which prevents a true appreciation of the situation.

The C.E.S. could take immediate steps to remedy some of this deficiency by releasing information they already have. First, it would be extremely useful to have information concerning the length of time unemployed persons are out of work. The Commonwealth Bureau of Census and Statistics included this information in the Quarterly Survey on the Labour Force. Second, there is a need to improve on the occupational classifications beyond such categories as 'rural', 'semi-skilled', and 'unskilled manual'. Third, beneficiaries should be classified according to the numbers of persons dependent upon them. Fourth, there is a discrepancy between the numbers registered for unemployment and the numbers receiving unemployment benefits, e.g. in March 1972 there were 97,877 registered as unemployed and 37,639 in receipt of unemployment benefits. The 60,238 not in receipt of unemployment benefits should be classified according to the reasons why they are not receiving benefits, e.g. are they in the waiting period or are they ineligible because of a working spouse. The statistics should also tell us about those persons who are eligible for unemployment benefit, but who don't follow through their initial registration as unemployed. The Bureau of Census and Statistics Quarterly survey also included information which could quite easily be incorporated into the C.E.S. Monthly Review of the employment situation:

- classifying the labour force by country of birth and, for migrants, period of residence,
- classifying the labour force into age groups; 15-19, 20-24, 25-34, 35-44, 45-54, 55-59, 60-64, 65 and over. (The C.E.S. statistics divide the labour force into adults and juniors.)
- classifying females as married women and other females.

There is also a need for information on the qualifications, skills and education of unemployed persons and what people are being counted over and over again.



By way of contrast, the unemployment statistics provided in the U.K. and the U.S.A. are far more useful than the Australian statistics. In the U.K., the monthly Department of Employment Gazette has a very detailed industry analysis, e.g. clothing and footwear, textiles, timber and furniture, etc., construction, transport and communication, and distributive trades. Industries are then divided into sub-groups etc., textiles include lace, carpets, hosiery and other knitted goods and woollen and worsted. Information is also provided as an occupational analysis of the unemployed, e.g. engineering and allied trade workers, woodworkers, textile workers and leather workers. These are divided into sub-groups and regions. Retail figures are provided on the duration of unemployment — one week or less, 1-2, 2-3, 3-4, over 4 up to 5, 5-6, 6-7, 7-8, 8-9, 9-13, 13-26, 26-39, 39-52 and over 52.

In the U.S., the Monthly Labour Review includes information on the numbers unemployed and the unemployment rate for white-collar workers, blue collar workers, service workers and farm workers. White-collar workers are sub-divided into professional and technical, managers and administrators (except farm), sales workers and clerical workers. Blue-collar workers are subdivided into draftsmen and kindred workers, operatives and non-farm labourers. The unemployed are also listed by reason for unemployment — lost last job, left last job, re-entered labour force and never worked before. Information is also provided on duration of unemployment — less than 5 weeks, 5-14 weeks, 15-26 weeks, 27 weeks and over.

### Training Schemes

Crucial to any effective manpower policy is the existence of comprehensive training schemes. In recent years the Australian Government has introduced training schemes for those displaced by technological change in urban and rural industries, and for women who have been widowed, or restricted from employment by domestic responsibilities. The scheme for the training of widows was introduced in September 1968 and up to May 1972 1,185 widows have completed training and have been placed in employment. Of 2,300 applications received in the 1971-72 financial year, 1,702 were accepted for training. These figures don't look as impressive when they are compared with the 92,784 women in receipt of Class A, B and C Widows' Pensions in the same year. The scheme for women restricted from employment by domestic responsibilities was introduced in September 1970, and up to the end of April 1972, 1,559 had completed training and a further 910 were in training.

The Rural Reconstruction Employment Training Scheme was introduced in October 1971. In June 1972, 254 applications had been received and 52 applicants are being retrained. None have completed. The smallness of these figures can be appreciated when it is realised that there are 254,800 farmers in Australia. The scheme for persons displaced

by technological change was introduced in July 1971. By June, 1972, only 18 people were retrained.

In June this scheme was broadened and, as a consequence, the <sup>60</sup> number of applicants increased by the end of July from 88 to 333. The approval rate increased from 25 to 99, while the number of ineligible applicants increased from only 34 to 36. Eighty, compared with 21, applicants have withdrawn their applications since the extension of the scheme and 118 applications were, at the end of July, in the process of being determined, which included 57 as vocational guidance advisers.

The Department of Labour and National Service has estimated that only 0.4% of the workforce has been displaced by technological change. <sup>61</sup> If these figures are applied to the total workforce, 0.4% is 20,800 workers, and even though it can be expected that over two-thirds of these persons will find jobs of equal or better status in the same firms it is difficult to understand why so few have or are being trained.

Concetta Benn has suggested that the schemes have three basic weaknesses — <sup>62</sup>

training in most of the schemes is only available for a period of up to twelve months,

the training allowance for adult men is \$46.20, approximately the same as the old minimum wage,

the unskilled worker whose job is not threatened by technological change is not eligible for any of the current schemes.

The schemes have not been as successful as they could be. Only 8% <sup>63</sup> of the \$50,000 allocated for the training scheme for those displaced by technological change was spent during 1971-72. Despite this the 1972 Budget allocation has risen to \$100,000.

Figures given by the Minister for Labour and National Service, Mr. Lynch, in April, 1972, showed that 55% of applications had been rejected on the basis that displacement was not due to technological change.

The problem with the scheme since inception has been one of definition. Surveys conducted by the Department of Labor and National Service over the past few years have shown that 7,398 or 1.9% of employees in the organisations surveyed (which employed 394,000 persons) were displaced through technological change and 1,545 of those displaced were retrained. Yet many of these persons would be unable to gain retraining under the official scheme because until June 1972 the definition of technological change referred to persons displaced or likely to be displaced from their employment as a result of technological change introduced directly into their work place. The scheme has now been extended to include:

- (a) persons whose skills are not in demand because of general technological changes in their industry or trade, and
- (b) persons whose employment is threatened by the use of alternative technological requirements as a result of the

merging of two organisations, or as a result of technological change in a customer or supplier organisation.

Only \$27,000 of the \$300,000 allocated for the rural reconstruction employment training scheme was spent during 1971-72. The 1972 Budget allocated \$50,000 less to the programme. On the other hand, only \$83 remains of the \$400,000 allocated to the training scheme for women previously restricted from employment by domestic responsibilities. The allocation will not be increased this year.

Another training programme is provided by the Department of <sup>64</sup> Social Services Rehabilitation Service which 'aims to curb unnecessary invalidity wherever possible and to restore disabled people to a social and working role in community life.'

### Numbers of Persons Accepted for Rehabilitation and Placed in Employment:

Year ended 30 June	Unemployment and Sickness Beneficiaries					
	Number		Trained		Placed in employment	
	Referred	Accepted	Com'ced	Comp'ted	After training	Without training
1972	20,426	1,103	259	213	188	589
1971	17,895	984	168	115	137	649
1970	11,439	965	158	171	157	662
1969	14,505	911	192	150	157	594
1968	12,130	910	172	149	168	604

Source: Director-General of Social Services Thirty-first Annual Report for year 1971-72 (p.92). Director-General of Social Services Thirtieth Annual Report for year 1970-71 (p.86). Director-General of Social Services Twenty-ninth Report for year 1960-70 (p.79).

The Victorian Director of Social Services, A. R. Kopp, has said that 'about 2000 unemployed beneficiaries would have been referred to rehabilitation during the year 1970-71.' <sup>65</sup>

In his 1972 Budget speech, the Treasurer, Mr. Snedden, said the <sup>66</sup> Government would introduce (a) a cash subsidy scheme to promote the training of apprentices, (b) a training scheme to enable persons with a history of unemployment to acquire job skills which are in demand, and (c) extend training assistance to persons made redundant. Details of the schemes were announced by the Minister for Labour and National Service, Mr. Lynch: <sup>67</sup>

In the Government's view, vocational training is a cornerstone of productivity improvement on which commercial competitiveness and higher standards of living depend. The gathering impetus to the training task is helping to close the gap that existed between our efforts and those of other advanced industrial countries such as the United States of America, the United Kingdom, Japan, Sweden, Germany, the Netherlands and, latterly, New Zealand.

(It is interesting to note that in 1970 the Department of Labour and National Service concluded there was a need to increase the occupational

mobility of the unemployed through additional training or retraining. This conclusion was obtained after the Department carried out an analysis of the principle characteristics of unemployed persons registered with the Commonwealth Employment Service on the 18th July 1969.)

The training scheme for unemployed persons (The General Employment Retraining Scheme) has these main features: <sup>68</sup>

- length of training — a maximum of 12 weeks,
- type of training — on-the-job in any industrial or commercial establishment, or in a training school or unit attached to such an establishment,
- application for training — persons registered for employment with the Commonwealth Employment Service will automatically be considered for training. The Commonwealth Employment Service will ensure that they have the opportunity to apply,
- choice of occupation — applicants will choose the occupation for which training is preferred, within the practical limitations of employment situations providing such training, and their personal capacity to undertake it.

Two basic criticisms can be made of this and other schemes operated by the Federal Government. The first criticism concerns their actual operations within their own frameworks. As I have already introduced criticism of the previous schemes, criticism will concentrate on the General Employment Retraining and then compare all the schemes with schemes operating in the U.K., Sweden and Canada. The second criticism concerns the assumptions behind training schemes and the fact that these assumptions are being questioned overseas, particularly in Canada.

The General Employment Retraining Scheme should not be limited to a maximum of 12 weeks. The second training scheme introduced by the government at the same time (Employment Training Scheme for Persons Displaced by Redundancy) allows for a training period of up to 12 months with provision to extend it a further 12 months. This scheme also provides for a weekly training allowance of \$50.90 whereas under the General Employment Training Scheme there is a subsidy of 60% of the award wage for age and job classification for the occupation for which each trainee is being trained. As the scheme is voluntary and the employers have to pay 40% of the wage it can seriously be questioned whether this financial incentive is adequate. A further objection can be made on the basis of leaving training in the hands of employers. If the training of workers is left to the decision of individual employers the chances are that the workers will be trained for a particular job

in a particular firm and have no skills to perform a wider range of jobs. This will impede labour mobility and increase training costs. The U.K. Government recognized this problem when it introduced the Industrial Training Act in 1964. The Act established industrial training boards in different industries. Membership consists of employers, trade unionists and educationalists. Each industrial training board levies a tax on all firms in an industry. The scheme commonly excludes small firms. The levy ranges from 0.35% to 3.8% of the payroll.<sup>69</sup>

Only \$1.9 m. has been allocated to both schemes and if we take the unemployment training scheme (General Employment Retraining Scheme) we can arrive at some interesting statistics. If we divide 90,000 unemployed persons into \$1.9 m. we have an expenditure of \$21 a head. I would estimate that between 1% and 2% of Australia's unemployed will be accepted for retraining under the scheme.

During 1969-70:<sup>70</sup>

300,332 Canadians received occupational training and upgrading for a total 15¼ million training days at a cost of \$245,044,076 under the Canada Manpower Training Programme. Training courses cover upgrading courses, the acquisition of new skills, language training for immigrants and apprentices and training in industry. Full time trainees who meet requirements obtain allowances (which vary according to dependents and when they have to leave their communities) of \$40 to \$103 a week,

nearly 50,000 workers and trainees received assistance under the Canada Manpower Mobility Programme. Total grants under this program were slightly less than \$6,000,000.

There were:

34,595 Trainee Travel Grants which enabled adults to take trainee courses not available in their area,

7,784 Exploratory Grants which enabled workers to search for employment in other areas when work was not available in their area, and

7,460 Relocation Grants which enabled workers to move and re-establish themselves, their dependents and their household effects when employment was found in another area.

The Swedish also recognise that training is a necessary instrument of an active manpower policy. The National Labour Market Board is now capable of enrolling more than 100,000 trainees or nearly 3% of the Swedish labour force:<sup>71</sup>

the retraining centres now offer a selection of 300 courses, training varies in length from a few weeks up to two years, trainees receive a basic training allowance, a rental allowance and a family living allowance. As a general condition of eligibility, a worker must either be unemployed or face the loss of his job. Exceptions are

made for scarcity occupations with a shortage of skilled manpower.

According to follow-up studies, about three-fourths of the participants have obtained jobs in the training trade or in related trades within one month or so after course completion.

Provision is also made to facilitate geographic mobility by a similar system to Canada's Exploratory Grants and Relocation Grants. The financial assistance payable to a jobless worker enables him to travel to one or more places where labour is in shortage and there visit different firms to find out what the new job is like, about the pay it offers and the work setting, about the local housing situation, the community services available such as schools and recreational facilities.

When the worker has made his (or her) decision, he is paid the costs of removing his family and household furniture to the new employment locale. A starting allowance is payable in cash to cover the first weeks' living expenses. If the members of a family are compelled to live apart for a time, a separation allowance is paid to cover the extra costs of double housekeeping.

What contribution does Australia make towards facilitating geographical mobility?

Until recently, unemployed persons could be provided with a travel warrant where the fare exceeded 50 cents. The warrants were repayable. However, on the 28 September, 1972, the Minister for Labour and National Service, Mr. Lynch, announced that from 2 October, 1972:<sup>72</sup>

We have established a scheme which will mean that for urban and metropolitan travel, the unemployed person will receive a ticket or tickets that will give him free travel to and from an employer's premises. The Commonwealth will buy tickets in bulk from the operators and these tickets will be made available in offices of the Commonwealth Employment Service to persons eligible to receive them under the terms of the Scheme. Administrative arrangements between my Department and the transport operators will thus be kept to a minimum.

Let me give some examples. If a person eligible under the Scheme is referred to an employer at North Melbourne from the District Office of the Commonwealth Employment Service at St Kilda, he will be issued with tickets at that District Office which will enable him to travel without cost to him on the Melbourne public transport system to the employer's premises. Before leaving the District Office, he will also be given tickets which will enable him to return to that office if he so wishes or to some other point in the metropolitan area — for example, to his home. Similarly, if the District Office of the Commonwealth Employment Service in Adelaide refers an unemployed person to a job in Mt. Gambier, a travel warrant will be issued which will enable that person to travel to Mt. Gambier and to return to Adelaide.

Those eligible for the scheme will be persons qualified to receive unemployment benefit, persons transferring from sickness or special

benefits to unemployment benefit, and newly-arrived migrants who are resident in Commonwealth Hostels and qualified to receive Special Unemployment Benefit.

### Employment Opportunity Commission

Several countries have instituted systems whereby charges of discrimination can be brought before public authorities created specifically to promote equal employment opportunities and civil rights generally, e.g. Canada, United Kingdom and the United States of America. All are regulatory agencies in the initial phase of the institutional life-cycle — therefore, still exploring their effective mandate. The agencies operate similarly — discrimination is not treated like other legal issues where unlawful conduct occurs. There is an emphasis on settling the dispute, make conciliation work and as a final resort enforcement. <sup>73</sup> The United States has an Equal Employment Opportunity Commission which has two purposes: (1) to end discrimination based on race, colour, religion, sect or national origin in hiring, promotion, firing, wages, testing, training, apprenticeship, and all other conditions of employment and (2) to promote voluntary action programmes by employers, unions, and community organisations to put equal employment opportunities into actual operation. The Commission receives written charges of discrimination against employers, labour organisations, joint labour-management apprenticeship programmes and public and private employment agencies. The Commission investigates the charges, issues findings of fact to the parties involved, and may attempt voluntary settlement. If voluntary agreement is not reached, the Commission issues a decision. The Commission may issue a Notice of Right to Sue which allows the charging party to proceed in Court.

The U.K. Race Relations Board considers a complaint of unlawful discrimination in respect of employment and organisation of employers or workers if: <sup>74</sup>

- the Secretary of State decides that there is no suitable voluntary body to consider the complaint,
- or that body fails to settle the matter,
- or the decision of that body is disputed by an aggrieved party within a week of written notification of that body's design.

On receipt of a complaint one or more of the professional canalisation officers interview the complainant, the respondent and anyone else who may be able to help. If an investigation reveals that the Board will take the view that unlawful discrimination has occurred, the parties are informed that they may put forward representation or evidence to the contrary, either in writing or orally, and that, in doing so, they may be assisted or represented by a friend or adviser. The Board endeavours, firstly, to secure a settlement of any difference between the parties, and, secondly, where appropriate, a satisfactory assurance against any repetition of the act considered to be unlawful or the doing

of further acts of a similar kind by the party against whom the complaint is made. If a settlement and assurance cannot be obtained, or it appears that an act was done in breach of assurance, the Board determines whether to bring civil proceedings under the Act.

The U.K. also has an Industrial Relations Act which protects employees against unfair dismissal by providing machinery under which an employee may bring an action against an employer for unfair dismissal and seek compensation. In the period 28 February – 26 May 1972, there were 1,757 applications made to industrial tribunals concerning complaints of alleged unfair dismissal.<sup>75</sup>

I suggest there is a need to enlarge the terms of reference of an Employment Opportunity Commission from covering discrimination based on race, colour, religion, sex or national origin to also cover discrimination based on age and education.

### Decentralisation

The L.C.P. and A.L.P. are promoting various decentralisation policies. Decentralisation is of crucial significance to the unemployment question. The Young Christian Workers have numerous stories of young people forced to leave country areas for the capital cities in a search for work. This adds another dimension to the concept of the right to work – the right to work in your locality. Appropriate decentralisation policies should aim to provide employment opportunities for country people and not simply to transfer urban workers to country areas.

The Victorian Chamber of Manufactures has prepared a report on the vital role that decentralisation must play if Australia is to avoid the 'grave socio-economic dangers facing cities of the U.S.A., Great Britain, the Continent, Asia and Japan'.<sup>77</sup>

The Chamber represents 6,600 manufacturing companies from all fields of industry and every area of the State of Victoria.

The report suggests that social benefits of decentralisation include helping 'to preserve family ties since it would provide a community environment in which school leavers could find gainful employment and not have to migrate to capital cities to find jobs.'

The report's recommendations include the following:

- that tax incentives of high order should be encouraged as an incentive to decentralisation areas and lead to a better state of balance between Commonwealth and private expenditure in the designated areas,
- that long-term, low-interest loans be extended to approved private developers, to encourage the growth of selected projects in decentralised centres,
- that each State appoint a working party comprised of industrial, commercial, financial and other representative interests to advise on practical aspects of decentralisation,
- that the Commonwealth appoint a senior Minister to be responsible for decentralisation,



that designated decentralisation centres should be considered as an attractive public investment by the public acquisition and retention of the land,  
 that the policy adopted to promote decentralisation should recognise that solid financial inducement must play a major part in making decentralisation a success,  
 that the 'quality of life' aspect of decentralisation should receive greater promotional effort than at present,  
 that companies be educated to realise that while the apparent counter attractions of large cities may seem important, these will be more than offset by the promotion of a comprehensive decentralisation policy,  
 that the concept of regional centres be adopted as the most practical basis for implementing a workable decentralisation policy.

### **Advance Notice and Redundancy**

In Canada, employers must give advance notice of group dismissal of 50 or more persons simultaneously or within a 4 week period. Payoff is regarded as equivalent to termination of employment: <sup>78</sup>

Employees affected	Advance notice
50-100	8 weeks
101-333	12 weeks
more than 300	16 weeks

Employers must provide the Manpower and Immigration Department with whatever information is required to assist dismissed employees.

Individual employees who have three months' service (except managers, supervisors and members of professions) are entitled to two weeks' notice or in lieu, two weeks' wages.

In the U.K. workers are also entitled to certain minimum periods of notice — from one week's notice after 13 weeks continuous service to 8 weeks' notice after 15 years continuous service. Workers dismissed by reason of redundancy are entitled to a lump sum payment. The amount depends on the worker's age, length of service and final rate of pay. <sup>79</sup>

In Australia there is no compulsion at the present time and a <sup>80</sup> Department of Labour survey has revealed that only 16% of companies introducing technological change which will affect the future of their employees confer with Unions beforehand.

According to the Assistant Secretary of the Department of Labour and National Services research section, Mr. B. J. Fitt, many of these may have realised the changes would not result in displacements or retrenchments: 'But, even of those with displacements, only 30% had consulted with unions and only 42% of those with retrenchment.' 'The survey also revealed that, of the enterprises which retrenched employees, only 30% made arrangements with the Commonwealth Employment Service to help retrenched employees find alternative employment.'

The A.C.T.U. has adopted the following policies to protect workers from automation and technological change: <sup>81</sup>

Insistence on joint consultation commencing at the planning stage when it is proposed to introduce any type of technological change whether it be by modification of a process or by introducing semi-automated or automated methods.

Immediate implementation of an approved scheme of re-training or training workers made redundant by technological change by agreement with the unions concerned.

Severance pay for retrenched workers based on a minimum of four weeks pay in respect of each year of service, or on other equal considerations.

Payment of pro-rata long service leave or provision for the portability to another employer.

Payment of the total accumulation of superannuation or pension fund benefits arising from employer-employee contributions or provision for portability to a fund available in any succeeding employment and the amendment of the Income Tax Act to make this mandatory.

The retention of male employees in employment until normal retiring age unless satisfactory arrangements are made for the payment of superannuation or pension benefits as if normal retiring age had been reached, and supplementary assistance from the employer and/or Government for the period until the normal retiring age is reached.

Where required, assistance by the employer to employees to obtain alternative employment.

Make up pay by the last employer until retrenched employees secure new positions or during a period of re-training up to the rate of pay they would have received if retained in their first employment. Compensation by employers to employees for loss of equity in hand where such employees have to transfer to other localities to obtain work.

Payment by employers of lost time, fares and removal agencies where retrenched employees have to take work in other localities.

Workers threatened by redundancy will need to make related demands: <sup>82</sup>

A social audit should be publicly conducted to examine not only the social cost in unemployment of men and other sources following from a closure, but the social benefit of continuing production.

Where continued operation is not indicated, alternative employment should be guaranteed:

(a) in similar work, if desired, in another part of the country with a grant for removal expense and rehousing costs.

(b) in new work in private industry in the same area, if available, after retraining at government expense with full maintenance.

- (c) in new factories under public ownership to produce goods to make social needs which the private sector is failing to supply.
- (d) in work required in the same area under government investment to meet social need, that are not being met by private investment; and under schemes for improving the environment, controlling pollution etc., paid for at trade union negotiated rates for the jobs involved and carried out by government enterprises.

The Government has recently introduced (1972) an 'Employment Training Scheme for Persons Displaced by Redundancy.' The scheme has yet to commence and it is as a consequence difficult to assess its effectiveness.

### Trade Unions

Trade unions are making a fundamental error if they continue to allow unemployed workers to drift without protection. 'The right to work' should be a basis for action by the employed on behalf of the unemployed. It is the employed who are in the best position to exert pressure on both government and employers.

Many employers would like to see higher unemployment figures. This would have its advantages because the more unemployed trade unionists there are the more likely trade unions will be forced to do something about the unemployed. Expediency has always been an incentive to action.

During July, 1972, the management consultants firm W. D. Scott and Co. Pty. Ltd. surveyed 640 top businessmen in N.S.W., Victoria, and Queensland — representing the great majority of Eastern States companies with more than 150 employees. A total of 372 chief executives, (58%) agreed to do so. They lead companies employing more than 750,000 Australians.

One of the questions asked concerned unemployment: 'Recently the national unemployment rate has been near 2% (around 100,000) of the labour force. What do you regard as the acceptable upper limit of unemployment for Australia in 1972?'

Unemployed %	% of businessmen replying
0	1
0.5	1.6
1.00	13.4
1.25	2.9
1.5	19.9
1.75	5.6
2.00	23.9
2.25	0.3
2.5	13.4
3.00	13.1
4.00	2.0
4.5	0.3
5	0.6
Not stated or other answers	2.0

The results were analysed in the following terms: Thus, most businessmen (68.3%) feel Australia has been at, or very near the top of the acceptable unemployment level. They do not seem to believe that Australians will accept a 1972 unemployment rate above 2%, and many are of the opinion that this rate is already too high.

The statistics can, nonetheless, be interpreted somewhat differently — 53.6% regard as acceptable an unemployment level of 2% or more, and 29.7% regard as acceptable an unemployment level of 2.25% or more.

The Victorian Chamber of Manufactures has commented:<sup>83</sup>

The present level of unemployment — 1.78%, seasonally adjusted for March 1972 — is in sharp contrast to the situation pertaining at this time last year, and the year before. In the second half of 1970, unemployment was less than 1% seasonally adjusted, and was a significant factor behind the current rate of inflation. VCM believes that excessively low levels of unemployment give Unions the added leverage they need to gain over-award and over-time payments from industry and government. Through wage relativity claims, these payments are eventually recognised by Wage Tribunals and allowed to flow quickly to all wage earners. During the last 2 years, the overfull employment 'psychology' has contributed greatly to wage cost push inflation and the government needs to balance its social and economic costs against the benefits of a low unemployment figure.

The secretary of the Queensland Employers' Federation, Mr. J. R. Jones, has said that to maintain a stable economy Australia needs an unemployment level of about 4.5%.<sup>84</sup>

Mr. Jones said there was a 'large and increasing number of people in Australia, particularly in rural and coastal areas, who do not want to work and who are prepared to 'make-do' with odd jobs. There are a growing number of people who are unemployable in Australia and there are those who do not work well enough to keep on and those whose appearance is not satisfactory.

I realise that this is not a popular view but it is a view which overseas economists have been obliged to take. A balance has to be struck between massive unemployment and galloping inflation, and countries like America have found 4.5% a reasonable unemployment figure.

The Minister for Labour and National Service, Mr. Lynch, has pointed out the cost of low unemployment figures:<sup>85</sup>

Firstly, employment security can produce a high rate of labour turnover and absenteeism. The costs of labour turnover are not only the obvious ones of recruitment and training of replacements, but include the value of output lost due to delays in filling vacancies and the inexperience of new employees.

Secondly, a prolonged period of employment security strongly enhances the bargaining power of unions and weakens the resistance of employers to unreasonable wage demands. In the past few years trade union leaders have come to realise that they are in such a strong position that they can often dictate, rather than negotiate, terms and conditions of employment to employers.

The views can be summed up in the following terms: The absence of the fear of unemployment has a disruptive impact on the economy. Unemployment maintains the authority of the employer over employees. In times of low unemployment absenteeism and the rapid changing of jobs are on the increase — proving wasteful and costly to the economy.

There are three objections to these views:

The workers who become unemployed for lengthy periods are generally not the same workers who obtain wage increases. They are the unskilled and semi-skilled workers whose needs and rights are ignored alike by governments, employers and unionists.

Economists have argued that labour turnover is, in fact, beneficial for the economy. In *People and Poverty*, Professor Ronald F. Henderson, Alison Harcourt and R. J. A. Harper suggest there is a need to encourage workers to move to better jobs because this enables the expansion of fast growing companies.<sup>86</sup>

In the chapter *What is the Cause of Unemployment*, the Victorian Chamber of Manufactures was quoted as estimating that in the course of a year 27% of the Australian workforce change their jobs. People have the right to better themselves by moving to jobs which offer more status and more pay, improved conditions and promotion opportunities, less frustration and increased responsibility.

For as long as trade unions ignore the plight of unemployed workers they are exhibiting the same selfishness, irresponsibility and callousness they are quick to accuse employers and governments of exhibiting:<sup>87</sup>

Every Trades Hall Council should establish service centres for unemployed workers. These should co-ordinate and extend to resources of existing groups fighting benefit cases, explaining their right to workers dealing with C.E.S., State Social Welfare Department and Social Services.

The Trade Unions should prepare more material to advise the unemployed, as well as wider campaigning material on unemployment and job rights.

The Trade Unions should draw up detailed studies of employment and redundancy development, industry by industry.

The Trade Unions should develop various systems for providing clerical, office and similar services to the organisation of unemployed workers.

## Handicapped Persons

In the U.K. the Disabled Persons (Employment) Acts provides that<sup>88</sup> employers of 20 or more workers must employ a quota of registered disabled persons, at present 3% of total staff. The only exception is in respect of ships' crews, where the percentage is 0.1%. Failure to employ the appropriate percentage of registered disabled persons is not in itself an offence, but an employer who is below quota may not engage a worker not registered as disabled unless he has a permit from the Department of Employment and Productivity to do so. Where it is proposed to refuse a permit because it is considered that the employer is unreasonable in refusing to engage a disabled person, the employer can ask for the case to be put to a disablement advisory committee for consideration. An employer must not discharge a registered disabled person without reasonable cause if he is below his quota, or if the discharge would bring him below quota.

In West Germany the disabled are defined as 'those assessed as<sup>89</sup> pensionable' ie. 50% disabled. Thus there is no possibility of a situation occurring in which an employer would say that some of his staff had minor disabilities and these made up his quota of disabled persons. If the degree of disablement is assessed as being pensionable, or 50% disabled, then he falls into the category which must compulsorily be found employment. The Civil Service must keep 10% of the jobs for the disabled. Private enterprise must hold 6% of the jobs for the pensionable disabled.

If private enterprise has not filled the quota of disabled persons, then the company must pay 50 Deutschmarks a month for every empty suitable place for a disabled person, or for every suitable place for a disabled person which is being filled by a fit person, hence the individual private company has the financial incentive to employ the disabled. Regular checks are made on employers to see how they are keeping up with the quota requirements. There is no obligation or force used to make an employer take a particular disabled individual, the employer himself picks the man he wants from those proposed by the labour exchange, and this is then deducted from his quota. The labour exchange on its part is prohibited by law from sending anyone to the employer, unless he is in fact fully rehabilitated and well suited to the job involved.

A strong argument for endorsing a quota system is that as unemployment rises the disabled will suffer disproportionately.

## Job Creation

The Netherlands and Sweden are in the forefront of European nations in the creation of jobs as an alternative to idleness and dependency of the unemployed.

The Swedish have long used emergency public works programmes to counteract declining employment during down swings of the trade cycle and to even out regional and seasonal variations in employment.

Programmes are timed so as to begin with a seasonal decline and break off when the upswing comes. They can be steered geographically towards a region or a single locality where unemployment exists. They can also be aimed at a specific occupational group, or even at individuals if necessary. Nowadays emergency public works are chiefly used to help level out seasonal fluctuations of employment, especially in northern parts of Sweden, and to afford temporary works to older, handicapped and locally tied-down manpower.

The Canadian Government has enlarged the concept of job creation with the launching of Opportunities for Youth in 1971. The programme was introduced because of (a) anticipated critical summer unemployment among students and (b) the possibility that high student unemployment, coupled with an increasing tendency towards non-participation on the part of youth, could lead to social unrest.<sup>90</sup>

Groups of young people work through their summer vacations on community-orientated projects which are funded by the Government. Young people design their own projects. They decide what they want to do in their community and how they want to do it. They prepare a detailed description of their project and submit it for evaluation. If the proposed project meets certain standards and funds are available, members of the group receive a grant from the federal government to pay for salaries and some of the expenses to carry out the work. Salaries have ranged up to \$60 a week for participants of high school age and up to \$90 a week for others. Expenses are usually no more than 10% of the projects total cost. In 1972 with a budget of \$34 million the programme attracted more than 20,000 applications and approximately 3,000 projects with 30,000 participants received funds. Below are three projects funded by Opportunities for Youth in 1972:

Twelve people got \$12,520 to produce a TV series of educational puppet shows for distribution to cable companies across Canada.

Eleven people got \$10,918 to research and compile lists of books, films and records about their Indian culture and heritage.

Fifteen people got \$8,600 for a programme of community improvements including cleanup of a beach, a cemetery, a churchyard and a ball park, as well as construction of a floating dock for a swimming area.

The Canadian Government appointed a Task Force to evaluate the Opportunities for Youth 1971 programme. The Task Force concluded that the programme could be expanded into an Opportunities for People programme which would be in principle open to anyone, but with a special emphasis on three major groups:

- (a) persons unemployed or on welfare;
- (b) students temporarily inactive during the summer; and
- (c) persons over 65.

The Canadian Government also has a Local Initiatives programme which was launched on 14 October, 1971.<sup>91</sup>

The 1971-72 Local Initiatives Programme was designed to create new employment through the initiatives of community groups and organisations. The objectives of the programme were to provide work for persons who would otherwise be unemployed, on projects of community and social improvements.

The programme was financed by \$150 million of Federal Government funds, channelled through private groups (approximately \$100 million) and municipalities (approximately \$50 million) during the period November 1971-May 1972. A four-month extension of some 1,400 projects at an additional cost of \$30 million was approved in May 1972, and another 1,500 projects which had experienced delays in implementation were permitted to extend until the end of June, with no increase in funding. Funds were disbursed to projects on the basis of persons hired: an average of \$100 per employee/week was allowed for labour costs, and up to 17 per cent of this sum was additionally allocated for non-labour costs, such as materials and rent.

In order to qualify for grants, project applicants had to satisfy a number of criteria. These included:

Provision of a minimum 30 man-months of employment. This was subsequently lowered to 15 man-months.

A maximum of \$500,000 of Federal funding.

Hiring of unemployed workers.

Project functions and objectives to be of a non-profit nature.

The project to be capable of being carried out in the time-frame November 1, 1971 to May 31, 1972.

### **Guaranteed Minimum Income**

In 1970 Ronald F. Henderson, Alison Harcourt and R. J. A. Harper<sup>92</sup> published the results of a survey which defined as a state of poverty the situation of a man with a wife (not working) and two children whose total weekly income at that time was less than the minimum wage plus child endowment. The minimum wage has never been an objective<sup>93</sup> measure of need. Its fore-runner, the basic wage, was instituted in 1907 with the Harvester judgement of Mr. Justice Higgins who was asked to determine whether fair and reasonable wages were being paid to them by employees of H. V. McKay whose business included the making of harvesters. Mr. Justice Higgins assessment was of a basic wage which would provide a fair living standard for a worker and his family. He also ruled that in no circumstances could a particular industry or firm argue that economic difficulties necessitated a lower rate. If an employer could not pay the basic wage he must go out of business. But since 1931 this concept of a needs basic wage gradually gave way to consideration of the capacity of a community to pay. In 1931 the Commonwealth Court decided to cut total wages (basic wages and margins) by 10%



to try to stimulate employment by offering cheaper labour costs:

Since 1931 the main consideration of the Commonwealth tribunal has been the capacity of the economy to pay — an assessment that involves consideration of such matters as inflation, employment, investment, productivity, retail trade, overseas balances and the position of export industries.

The basic purpose of a guaranteed minimum income proposal is to guarantee a minimum income level below which no individual shall be permitted to fall. There are two basic approaches (a) a *negative income tax*, and (b) a *universal payment*.

A *Universal Payment* is a flat-rate benefit paid to every person but recovered in whole or in part from those with incomes above a fixed level. It may be paid to everyone without reduction and then recovered through a tax which takes into account the income of the recipient. Or it may be reduced prior to payment using an income test. The democratic candidate for the U.S. 1972 Presidential elections, Senator George McGovern, originally proposed a guaranteed minimum income through the universal payment system. McGovern's basic<sup>94</sup> proposition was that each person would receive \$1,000 — for example a family consisting of a husband, wife and two children would receive \$4,000. The grants would be taxed. If the same family earned no additional income they would not be taxed whereas after tax juggling, a family of four with an income \$8,000 would collect \$2,000 from the Government and a family with a \$12,000 income would collect nothing.

A *Negative Income Tax* is a scheme to redistribute wealth through the taxation system. Australia has a strong advocate for the negative income tax in Eric Risstrom who says that the aim of negative taxation is 'to use tax law to redistribute tax monies and tax liabilities to benefit those in dire straits financially, whether for business or personal reasons under a system whereby the taxpayer may be charged less than no tax in certain circumstances. In short, instead of being required to pay, the measurement of his ability to pay, done according to regulated standards, would demonstrate that he needs to receive instead a subsidy as bounty.'<sup>95</sup>

The U.K. Chancellor, Mr. Anthony Barber, has announced that he that he will table details of a negative tax scheme — with the chance that the rebates being so great in some cases that less than no tax will be payable. The idea will extend into the tax instalment system so that benefits are immediately available in the pay packets of those eligible.<sup>96</sup>

## Conclusion

Australia's resources are her people. The existence of unemployed persons who are seeking congenial employment is a tragic misuse and under-utilisation of resources. European countries have experienced low unemployment levels because of the development of policies aimed at

smoothing seasonal and regional variations, helping rural people to adapt to an urban environment, helping migrants to adjust to a new country and programmes to match workers and jobs, to train and upgrade the whole labour force, and to aid mobility. The significance of these proposals is the recognition that:

Most of the unemployed are victims of circumstances beyond their control.

A nation's resources are her people.

Governments, employers and trade unions need to co-operate to develop appropriate programmes.

There has been a similar realization in the U.S.A., the U.K. and Canada. By way of contrast, Australia has relied rather heavily on good luck rather than good management. To continue to do so would be a tragedy.

In 1964, an International Labour Organisation Employment Policy Convention urged all member countries to ensure: <sup>97</sup>

there is work for all who are available for and seeking work.

such work is as productive as possible.

there is freedom of choice of employment and the fullest possible opportunity for each worker to qualify for, and to use his skills and endowments in, a job for which he is well suited, irrespective of race, color, sex, religion, political opinion, national extraction or social origin.

Perhaps, in time, there will develop an economic charter of rights which affirms:

The right to work.

The right not to work.

The right to make a living from work.

The right to choose employment.

The right to job security and satisfaction.

The right to training and retraining.

Three basic conclusions are possible.

Firstly, changes required should be both qualitative and quantitative. Crucial to this is the premise that the unemployed must be given the opportunity to identify and resolve their own problems. Any programmes and policies that depart from this basic principle are invariably paternalistic because they create a de facto situation which forces unemployed persons to be dependent on others. Further difficulties are occasioned by the understandable tendency to isolate the unemployed as a specific problem group and create specific unemployment programmes. This can invariably lead to a tendency to focus attention on unemployed persons rather than on the issues.

Secondly, the Canadian Manpower programme is an example of what a country can do if it is convinced that its resources are its people — that to have someone unemployed is a sheer waste of resources. Australia could at least follow the Canadian example. The Canadian Manpower programme is not, however, without its critics. In 1972 a Canadian Senate Committee published a report which criticised the manpower programme as meeting existing and future demands of the labour market and neglecting the needs of the individual worker. The report commented that the needs of the poor called for the introduction of a Human Resources development programme. A social concept:<sup>98</sup>

which includes all aspects of education, training, retraining, and intervention with respect to social, psychological, and physical problems as they relate to people.

Thirdly, the groups most affected by unemployment are the least equipped to cope with its affects — low status, low-paid unskilled and semi-skilled workers. Programmes simply designed to create employment opportunities are of little use to these people. This has been the experience of the Canadian Newstart programme. Newstart was launched in 1967 with the aim of helping the disadvantaged by developing 'through action-research and experimentation, new methods for motivating and training adults to obtain and persist in productive and rewarding employment.' As the scheme developed the disadvantaged were seen as multi-problem families and that there was a need for more than job-related occupational training. Newstart programmes now typically include orientation training, basic literacy training, life-skills training, academic upgrading courses, community development, information and counselling services. Newstart operates in Saskatchewan, Yarmouth County, Prince Edward Island, Kent County, New Brunswick, Nova Scotia, Kings County, The Pas (Manitoba) and Laclabiche (Manitoba).

The United States is also active in promoting programmes for disadvantaged persons. Between 1963 and 1968 some three million disadvantaged persons have undergone employment or work training

programmes and at the end of June 1970, 643,287 persons were enrolled in various programmes. Perhaps the most interesting programme is the Neighbourhood Youth Corps (NYC) which was established in 1964. NYC has three programmes:<sup>99</sup>

An in-school programme which is open to youth still in school and aimed at keeping potential dropouts in school until graduation from High School.

The summer programme, similarly open to disadvantaged youth to encourage and help them to return to school.

The out-of-school programme, open to youth already out of school with no immediate plans to return, to offer them work experience and/or further training to qualify for permanent jobs.

There is also a Work Incentive Programme to help employable adults on welfare to become operative, a Job Corps which helps hard-core disadvantaged youth and a Job Opportunities programme in the Business Sector which co-ordinates with surrounding communities in attempting to find employment for the hard to employ.

### **Recommendations**

The following recommendations, of a short-term and long-term nature, are founded on the belief that prevention is better than intervention.

#### **Information and Evaluation**

1. The Commonwealth Bureau of Census and Statistics should conduct a regular nation-wide household expenditure survey. This should form the basis of determining a minimum standard of living below which no one shall be permitted to fall.
2. The statistics and statistical methods used by the Commonwealth Employment Service, the Department of Social Services and the Commonwealth Bureau of Census and Statistics should be integrated so that meaningful evaluations are possible.
3. The C.E.S. monthly unemployment figures should include information on the marital status of people receiving unemployment benefits, the number of dependents and the length of time people have been receiving benefits. Spot surveys to find out income prior to unemployment and job and industry classifications would also provide useful information for improving social policy.
4. The Commonwealth Bureau of Census and Statistics should conduct a monthly labour-force survey on the same basis as the quarterly labour-force surveys.
5. The annual report of the Commonwealth Employment Service should be made public.
6. The internal manual of the Department of Social Services should be made public.

7. The District Office Manual of the C.E.S. should be made public.
8. New categories for description of the work-force should be established to give a clearer picture of percentages of unemployed in sections of the work-force most vulnerable to unemployment.
9. Employers should be required to notify the C.E.S. about forthcoming vacancies, redundancies and dismissals. This will help the C.E.S. in developing training programmes and indentifying labour market needs.
10. The C.E.S. should make available to all persons using its services a computerised job list containing all notified vacancies with information concerning wages, conditions, location, duration and type.

#### Legislative and Policy

11. All political parties should support the principle of a guaranteed minimum income.
12. All political parties should support the introduction of a Human Resources development programme which aims to develop and make the best use of the human resources of the nation.
13. A Social Security Commission composed of representatives of the public should be appointed to advise the government on social security. Proceedings and reports of the commission should be public. Members of the commission should serve for a maximum of five years. A staggered schedule for membership election would ensure adequate overlap.
14. Permanent evaluation mechanisms should be established within the Commonwealth Employment Service and the Department of Social Services. Proceedings and reports should be made public. Evaluation staff should be hired for a maximum of three years.
15. An Equal Employment Opportunity Commission should be established to end discrimination based on race, colour, religion, sex, education, age or national origin in hiring, promotion, firing, wages, testing, training and all other conditions of employment.
16. An immediate and thorough review should be made of the organisation, the effects on persons working and using the services, and the operation of the Department of Social Service and the Commonwealth Employment Service.
17. An independent appeals tribunal should be established to determine appeals by aggrieved people using the services of the Commonwealth Employment Service and the Department of Social Services.
18. Industrial training boards should be created and funds for training purposes should be collected from a levy on firms.
19. Employers of 20 or more workers should be required to employ a quota of disabled persons.

20. An Opportunities for People programme should be introduced whereby the government funds community-orientated projects designed by the participants.

#### Financial and Other Assistance

21. Unemployment benefits should immediately be increased to levels commensurate with pension rates which also need considerable increase.
22. Introduction of Exploratory Grants to enable workers to search for employment.
23. Introduction of Relocation Grants to enable workers to move and relocate themselves.
24. Introduction of Trainee Travel Grants which enable people to take courses not available in their area.
25. Abolishing the means test applied to the income of spouses of unemployed persons.
26. As an interim measure, increasing the permissible income of unemployment beneficiaries from \$6 to \$25.
27. Immediate advance payments should be made by the Department of Social Services to people who need them.
28. The waiting period prior to lodging application for benefit should be abolished.
29. Unemployment benefit rates for juniors should be the same as adult rates.
30. Unemployment benefits should be kept in some acknowledged relationship with objective indices of community standard of income and consumption.
31. Provision should be made for unemployment beneficiaries to apply to the Department of Social Services for the payment of electrical and gas bills and municipal rates if these fall due during unemployment or within a month of a return to work.
32. Provision should be made for the suspension on hire purchase commitments of unemployed persons. The moratorium should be extended to a month after a return to work.

### History of Unemployment Benefits

	Adults & Married Minors	Person 16-17 Years	Person 18-20 Years	Depend- ent Spouse	First Child	Second & subsequent Children
1945	\$2.50 1 July	\$1.50 1 July	\$2.00 1 July	\$2.00 1 July	\$0.50 1 July	—
1952	\$5.00 22 Sep	\$3.00 22 Sep	\$4.00 22 Sep	\$4.00 22 Sep	\$0.50	—
1957	\$6.50 17 Oct	\$3.50 17 Oct	\$4.75 17 Oct	\$4.75 17 Oct	\$1.00 17 Oct	—
1961	\$7.50 27 Sep	\$3.50	\$4.75	\$5.25 27 Sep	\$1.25 27 Sep	—
1962	\$8.25 1 Mar	\$3.50	\$4.75	\$6.00 1 Mar	\$1.50 1 Mar	\$1.50 1 Mar
1969	\$10.00 27 Sep	\$4.50 27 Sep	\$6.00 27 Sep	\$7.00 27 Sep	\$2.50 27 Sep	\$3.50 27 Sep
1971	\$10.00	\$4.50	\$6.00	\$8.00 29 Sep	\$4.50 29 Sep	\$4.50 29 Sep
1972	\$17.00 25 Feb	\$7.50 25 Feb	\$11.00 25 Feb	\$8.00	\$4.50	\$4.50

(Social Services, Annual Report 1971-72) pp. 90-91

Australia has undergone periods of recession in 1952-3, 1956-7, 1961-62, and 1971-72 which coincides with periods of increases in unemployment benefits.

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